

COPY

THE INDIANA GAMING COMMISSION

BUSINESS MEETING

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INDIANA GAMING COMMISSION

March 9, 2006

BE IT REMEMBERED that the following proceedings were had before me, TERRY M. PICKERING, a duly qualified stenotype reporter and duly commissioned officer of the State of Indiana, on Thursday, March 9, 2006, at the Blue Chip Casino Hotel Ballroom, 2 Easy Street, Michigan City, Indiana, and commencing at the hour of 10:30 a.m.

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COMMISSION PANEL

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HAROLD CALLOWAY, Chairman

BRYAN ROBINSON, Vice Chairman

MARYA ROSE, Commissioner

TIM FESKO, Commissioner

SCOTT NEWMAN, Commissioner

TIM MURPHY, Commissioner

ERNEST YELTON, Executive Director

PHIL SICUSO, Staff

JENNIFER ARNOLD, Staff

TAMI TIMBERMAN, Administrative Secretary



1 MR. CALLOWAY: Good morning. We're glad to be here at
2 Blue Chip today, and we're going to call the meeting to
3 order at this time. I would like to recognize Mr. Tim
4 Murphy, who is a new member of the Commission. And Tim will
5 tell us a little bit about himself.

6 Tim.

7 MR. MURPHY: Thank you, Harold.

8 Can you hear me? Thank you.

9 Again, my name's Tim Murphy. I was born and raised in
10 Indianapolis in what's now known as Broad Ripple. I was
11 educated at Indiana University, taking an accounting degree
12 in 1973, moved on from there for approximately seven years
13 to work in banking with the Indiana National Bank in
14 Indianapolis serving in an audit capacity and in the
15 controllers' division in financial areas.

16 In about 1980, I moved from there to the U.S.
17 Department of Justice, with the FBI, serving as a field
18 agent, a special agent in the Chicago and Indianapolis field
19 offices.

20 For the last 26 years, I've been CFO of the Irwin
21 Mortgage Company -- Mortgage Corporation -- I'm sorry -- in
22 Indianapolis, a subsidiary of the Irwin Financial Group out
23 of Columbus, Indiana. I'm a CPA in the state of Indiana,
24 and will be retiring, actually, from my job with Irwin
25 Mortgage on Friday.



1 MR. CALLOWAY: Okay. Thank you, Tim.

2 I would like to make one observation: that
3 Commissioner Donald Vowels from Evansville is not here
4 today. Otherwise, all the commissioners are here.

5 At this time we would like to have a motion to approve
6 the minutes of the previous meeting.

7 MR. NEWMAN: I have a -- I'm sorry. I do have one
8 correction. I think it's a typo in the minutes here.
9 There's a reference to the City of Chicago filing suit, and
10 I believe it's the City of East Chicago that was intended.
11 Let me get you the location.

12 MR. CALLOWAY: Okay. You noted the --

13 MR. NEWMAN: It's on the first page of the minutes.

14 MR. CALLOWAY: -- typographical error.

15 MR. NEWMAN: It's the last paragraph on the first page
16 of the minutes, four lines up, the City of East Chicago has
17 filed a lawsuit.

18 MR. CALLOWAY: Right. Okay. With that correction, can
19 we get a motion?

20 MR. NEWMAN: Move to adopt the minutes as amended.

21 MR. ROBINSON: I'll second it.

22 MR. CALLOWAY: Moved and a second that the minutes be
23 approved as adopted. All those in favor let it be known by
24 the voting sign of aye. Those opposed? The ayes have it
25 and it's carried.



1 Now we'll have a report from our Executive Director.

2 MR. YELTON: Thank you, Mr. Chair.

3 As most of you know, on February 1st, Boyd Gaming
4 unveiled this spectacular state-of-art riverboat casino,
5 which increased its square footage from 42,000 up to
6 65,000. The breadth of the boat blossomed from 80 feet into
7 an astounding 200 feet. The EGDs rose from seventeen
8 nineteen to twenty-one seventy-one. The table games from 47
9 to 51. The pavilion exploded from a 25,000-square-foot
10 facility into 40,000, and the air quality system exchanges
11 the outside air at a rate of 15 times per hour. This \$150
12 million capital investment created also over 400
13 construction jobs.

14 Blue Chip's response to the regulatory issues of the
15 Commission were as attentive to compliance as it was to the
16 detail of its construction. Judy and her staff were open,
17 informative, and cooperative throughout the entire process.
18 Her staff also prepared a comprehensive plan which was
19 timely implemented with minimal variances. Corporate
20 support, particularly involving the extensive internal audit
21 manpower, helped the transition run seamlessly and
22 smoothly.

23 This resulted in, as I understand, an \$8.4 million
24 increase in revenues this February over last February.
25 We're very extremely impressed with this project, and we're



1 very grateful to Boyd Gaming and the employees of Blue Chip
2 for serving as our host today. Thank you very much.

3 As to the personnel issues with the Commission, since
4 we last met there have been some personnel changes in rather
5 significant positions. Susan Brodnan, our deputy general
6 counsel, has left for Florida to be with her soon-to-be
7 husband.

8 Leanne Bailey, staff attorney, has also resigned.
9 Finally, Clarence Long, a former employee, who had been
10 rehired on a part-time basis to begin our Document
11 Management Program, permanently retired. As a result,
12 Andrew Klinger has been promoted to deputy counsel to
13 replace Susan.

14 Andrew, stand and be recognized.

15 Lea Ellingwood, an IU Law School grad, who had previous
16 experience with the Department of Revenue, the Indiana
17 Public Access counselor, and the Indiana State Department of
18 Toxicology has become a staff attorney, together with Adam
19 Packer. Adam hails from the Washington and Lee University
20 School of Law in Virginia and the law firm of Kightlinger
21 and Gray in Indianapolis where he had civil litigation
22 experience. Both Lea and Adam are attending the table games
23 training at our enforcement agent academy in Plainfield to
24 prepare them for administrative law trial experience on
25 gaming offenses.



1 You may remember Matt Shouse, who served as the
2 Commission's receptionist, who resigned seven months ago to
3 complete his undergraduate degree, has rejoined us for three
4 afternoons a week to replace Clarence to be dedicated to our
5 Documents Management Program.

6 In the Investigation and Background Division and
7 Enforcement, we welcome Sherry Green as administrative
8 secretary and Jennifer Brown as general secretary.

9 Also, we welcome Martin Cordero. Martin's here.

10 Please be recognized.

11 Martin assumed the position of program coordinator for
12 the Compliance Division. Martin earned his degree from the
13 University of North Dakota and began his gaming career as a
14 blackjack dealer and a pit boss at a charitable
15 organization. It's a little-known fact that Martin is
16 internationally known for his in-depth study of prairie
17 pothole expansions.

18 Finally, today we have a sad moment. At the end of the
19 month we're gonna bid farewell to our Director of
20 Compliance, Jenny Chelf.

21 Jenny, please stand and be recognized.

22 Jenny has decided that she wants to become a full-time
23 stay-at-home mother with her beautiful daughter Lucy, who's
24 eight months old. We've been very fortunate and blessed to
25 have her capable services, and we've been terribly dependent



1 upon her institutional knowledge in many aspects,
2 particularly since I've been here. And her leadership will
3 be sorely missed. And please join me in thanking Jenny for
4 her assistance.

5 (Applause.)

6 MR. YELTON: It's been a very active three months since
7 we met, last met, as to the issues of waiver. As you
8 recall, the staff has been authorized to issue the waivers
9 upon appropriate investigation and just merely report them
10 to the Commission. We have 22.

11 All riverboats were granted a waiver expanding the
12 check-cashing aggregate limit to \$1,000 from \$500.

13 Caesars was granted a waiver, such that the quantities
14 of secondary value chips required is only 25 percent of the
15 quantity of primary value chips, rather than 50 percent, for
16 \$1.00 denominations only.

17 Horseshoe received relief from the requirement to
18 record the signature and occupational license number of an
19 employee on the MTL log.

20 Argosy received a waiver of the requirement to issue
21 admission tickets. Argosy will utilize two sets of
22 turnstiles instead.

23 Caesars received relief from the restriction of the
24 number of wagering spots on a blackjack table to allow
25 three, four, five, six, or seven spot layouts.



1 Horseshoe received permission to rotate secondary chip
2 inventories on an annual basis.

3 Grand Victoria received relief from the requirement to
4 display on drop box meters the number of machine entries due
5 to TITO.

6 Horseshoe was granted a waiver of the requirement for
7 jet sort testing, also due to TITO.

8 Caesars received relief from the requirement to store
9 par sheets in EGDs as long as an electronic copy is
10 available.

11 All boats received relief from the requirement that the
12 entire set of value chips be placed into play when the
13 primary set is removed. The Commission will instead allow
14 replacement by denominations.

15 Belterra and Caesars have both been granted permission
16 to store casino records across state lines.

17 Azstar received permission to combine hard and soft
18 count.

19 Blue Chip received relief from the requirement to have
20 drop doors on slot faces for the new vessel due to TITO.
21 Blue Chip also received relief from various regulations
22 relating to the token exception of EGDs, inventory of
23 tokens, meters, token acceptors, hard count, and appropriate
24 token-in error conditions, hoppers, revenue audit, and
25 compliance audits.



1 Blue Chip received permission also to cash checks
2 issued to entertainers under certain circumstances.

3 Resorts received relief from flexible boarding
4 requirement of two security guards at all times at Resorts'
5 VIP boarding due to lower traffic in that area.

6 Grand Victoria received permission to reflect the
7 destruction of a makeup deck rather than the specific origin
8 of each particular card on the card destruction log.

9 Caesars received permission to cash nonpayroll jackpot
10 checks written by Caesars or sister properties, checks
11 written by Caesars to entertainment vendors under certain
12 circumstances as well.

13 Argosy received relief from the requirement of
14 including a photo of the patron on the MTL log under certain
15 circumstances.

16 Majestic I and Majestic II received permission to
17 utilize Trump secondary chips on Majestic Star II during a
18 three-month transition period. Majestic Star also received
19 relief from rules requiring the name of the riverboat
20 licensee to appear on the value chips, promotional chips,
21 nonvalue chips, playing cards, dice, table layouts, and the
22 25-cent tokens so that Majestic can continue to utilize the
23 Trump items during the transition period.

24 All boats received permission to have an EMT on the
25 property rather than on the vessel at all times. The



1 riverboats will also have leeway if an EMT is absent because
2 he or she are responding or would need to be responding to
3 an emergency situation.

4 Majestic has received permission to have one EMT on
5 property for both vessels.

6 In addition, the riverboats received temporary waiver
7 of a requirement that EMTs be employees of the licensee to
8 allow for contracts with emergency services.

9 And, finally, Caesars received temporary relief from
10 the requirement to complete the meal log during a conversion
11 of their slot management system. And, again, ladies and
12 gentlemen of the Commission, this is merely a reporting data
13 only.

14 Next, I'm pleased to announce that we finally have a
15 positive report on the Commission's pending litigation. The
16 City of East Chicago has been extremely cooperative with
17 achieving a mutual understanding with us regarding issues
18 with the previous city administration. The judicial review
19 of the administrative action approving the transfer of the
20 license from Harrah's to Resorts in LaPorte County has been
21 stayed by an agreement for 90 days.

22 The Marion County action challenging our compliance
23 with Indiana's public access to records lawsuit has been
24 dismissed without prejudice. The Attorney General has
25 acquiesced in our request to withdraw its motion for us, as



1 a commission, to intervene in the Marion County litigation
2 filed by Second Century for declaratory judgment.

3 Finally, Pinnacle has filed a motion to dismiss our
4 participation in the action filed in federal court regarding
5 the attempted exercise of stock options by R.D. Hubbard.

6 Legislatively, we've had two initiatives this session.
7 The first is HB 1101. Although, the IGC in its regulations
8 have always considered much of the licensing information
9 confidential, we experienced a judicial challenge last year
10 when the City of East Chicago requested disclosure of
11 submitted PD-1s, among other documents. Our refusal to
12 comply was appealed to the state's public access counselor,
13 who did not find us in violation of Indiana law.

14 In response to further attempts to gain public exposure
15 of this personal, sensitive information, we successfully
16 brokered an agreement with Steve Key, who is legal counsel
17 for the Hoosier Press Association, that statutorily protects
18 this data of applicants, their spouses, and their children.

19 Representative Walorski, who's the author, has assured
20 us that she will concur with our amendments and the
21 governor's office has promised signature. This morning at
22 1:30, I received an e-mail that, in fact, the bill was
23 called down for concurrence last night, and it was passed at
24 a vote of 84 to 7.

25 During Governor Daniels' efficiency in government



1 probes, which the due diligence found the most inefficient
2 program in the state to be that of charitable gaming, which
3 had been placed with the Department of Revenue for
4 licensing, regulating, and oversight. The Office of
5 Management and Budget strongly recommended those functions
6 be transferred to the Indiana Gaming Commission because of
7 them being so closely related to our core of responsibilities.

8 The SB-100 will effectuate removal of charitable gaming
9 and place it with the jurisdiction of the Gaming
10 Commission. The bill's author is Senator Jackman, who's
11 also indicated his willingness to concur with the house
12 amendments. Although the effective date is July 1st, should
13 the bill attain final passage, we'll begin planning with
14 revenue far in advance for a seamless transfer. And just a
15 few minutes ago I had heard that Senator Jackman does intend
16 to call down SB-100 this afternoon for concurrence and it
17 has received caucus approval. So it's very likely that
18 today that bill will pass; although, with the legislature,
19 it's never over till it's over.

20 As we reported at our last meeting, the Commission is
21 conducting a disparity study, which will enable us to
22 establish goals for minority- and women-owned business
23 utilization. In order to receive guidance in this study,
24 goals and methodology, an advisory group has been formed.
25 The members of that advisory group include Senator Earline



1 Rogers of Gary, Senator John Nugent of Lawrenceburg,
2 Representative Matt Whetstone of Brownsburg, Representative
3 Greg Porter of Indianapolis, former Indiana Supreme Court
4 Justice Myra Selby, Bernie Kirkland from Governor Daniels'
5 office; Darrell Ragland, Sr., an Evansville businessman and
6 Chairman Calloway's selection to represent the Evansville
7 area, Mike Smith, unfortunately, the Executive Director of
8 the Casino Association, Darrell Williams a certified MBE and
9 WBE, who is also an Indianapolis attorney.

10 We're pleased to have assembled such a distinguished
11 and diverse group. Their first meeting was conducted on
12 February the 15th. Our researcher, who's Drew Klasik from
13 IUPUI, presented an outline that was planned for the study,
14 and it was favorably received by the advisory board.

15 The advisors did recommend, however, that a greater
16 outreach effort be made, and staff is working to execute a
17 more aggressive outreach plan that will encourage
18 participation in the study among the minority and women
19 business community. The study should be completed this fall
20 with new goals placed in effect by 2007.

21 Finally, the -- at our last meeting in November, I
22 reported the Indiana Gaming Commission was preparing to play
23 host in December of 2005 to the inaugural meeting of a newly
24 formed multitask jurisdiction coalition of gaming regulators
25 called the Internet Gambling Task Force. That meeting took



1 place on December 13th at the Indiana Government Center in
2 Indianapolis with a better-than-expected turnout.
3 Approximately 40 people from ten states, three federal
4 agencies, and representatives from the Royal Canadian
5 Mounted Police were in attendance. In addition to the
6 Gaming Commission staff, representatives from the Indiana
7 Attorney General's office and the Indiana Prosecuting
8 Attorneys' counsel also participated.

9 Earlier this week, General Counsel Phil Sicuso,
10 Director of Background Investigations Garth Brown, and
11 Director of Financial Investigations Jim Beebe participated
12 in a second meeting of the task force in St. Louis,
13 Missouri. Since the December meeting, the task force
14 involvement, particularly from additional international
15 jurisdictions, has increased. The mission of the task force
16 is to significantly diminish illegal Internet gambling
17 through the coordinated sharing of resources, enforcement,
18 and education.

19 As the task force and the regulatory issues related to
20 Internet gambling continue to grow and evolve, the Indiana
21 Gaming Commission will continue to work and remain in the
22 forefront of this vital issue.

23 And with that in mind, Mr. Chair, that concludes the
24 Executive Director's report.

25 MR. CALLOWAY: Thank you, Mr. Yelton.



1 Now we'll have the report from Ms. Jenny Arnold on the
2 Division of Gaming Agents.

3 MS. ARNOLD: Thank you, Mr. Chairman.

4 Good morning, everyone. Unfortunately, Superintendent
5 Mahan is at specialized training at the Indiana Law
6 Enforcement Academy this morning. He asked me to convey his
7 apologies for not being able to join us and to present the
8 gaming agent update in his absence.

9 Our first class began training at the Law Enforcement
10 Academy on February 6th. We have 19 recruits. We're quite
11 pleased with their performance and enthusiasm so far. We
12 anticipate that they will graduate on March 29th. They will
13 then be assigned to the Majestic Star vessels; and after a
14 three-week field training program, they will take over and
15 the Indiana State troopers serving there currently will be
16 reassigned.

17 On March 1st we closed the application process for
18 agent positions at Aztar, Blue Sky, and Caesars. We had a
19 total of 327 applications for 28 jobs. It is anticipated
20 that the successful applicants for those positions will
21 begin their formalized training on May 31st and graduate on
22 July 25th.

23 The same day we closed the application process for
24 Aztar, Blue Sky, and Caesars, we opened the application
25 process for Argosy, Belterra, and Grand Victoria.



1 Applications will be accepted until March 22nd. It is
2 anticipated that the hiring process will conclude in mid
3 June, and these recruits will report to the Law Enforcement
4 Academy on June 26th and likely graduate in mid August.

5 We've put a lot of time into developing an effective
6 recruiting program. Superintendent Mahan and his executive
7 staff have contacted almost every sheriff and chief of
8 police in the riverboat communities and surrounding
9 communities. We've also advertised in newspapers, and we
10 have posted the positions in almost every university and
11 college in Indiana and in the surrounding areas. We will
12 also be participating in the Black Expo Job Fair in July.
13 Early this fall we'll turn our attention back up north to
14 filling positions at Blue Chip, Horseshoe, and Resorts.

15 On the investigation side, we could not be more pleased
16 with the efforts and work product that we have seen so far.
17 The investigators have aggressively addressed the backlog of
18 occupational license applications, and we're very pleased to
19 see that most of their investigations are being completed
20 within eight weeks of assignment. They've also begun to
21 reinvestigate our supplier licensees as statute requires
22 them to be reinvestigated every three years. Again, we're
23 very proud of our progress, and Superintendent Mahan wishes
24 he could have been here to share all the good news.

25 Thank you.



1 MR. CALLOWAY: Thank you, Ms. Arnold.

2 Is there any old business?

3 MR. YELTON: No, Mr. Chairman, there's no old
4 business.

5 MR. CALLOWAY: Moving on to the new business, we will
6 have the French Lick casino update from Mr. Vernon Back.

7 MR. BACK: Good morning, Chairman, Commission members,
8 Executive Director Yelton.

9 I'm pleased to give you an update. On the hiring
10 front, we have hired a VP of IT, Chad Modesitt; Brian Marsh,
11 director of slots; Linda Perrin, director of casino finance;
12 and Jobie Gerrals, director of regulatory compliance. Jobie
13 has been working the last couple of years for the
14 prosecutor's office in Monroe County. He has agreed to come
15 on board to head up regulatory compliance and handle some of
16 the other legal affairs for Blue Sky in French Lick.

17 We've also engaged an executive search firm to pursue a
18 CFO candidate, and we're in the process of interviewing
19 several individuals for the VP of marketing position. So
20 we're very pleased with how the hiring process is coming
21 along.

22 What I've also given you is a construction update. As
23 you can see, where we started back in August was with a bare
24 piece of land. And you can see one of the most recent
25 aerials on page 2, the casino, parking garage, and event



1 center are going up. Most of these pictures were taken
2 either in February or early March. The casino roof is on.
3 It's mostly enclosed. I believe March 17th or 18th we're
4 gonna have a capping off ceremony on the casino building
5 where we're going to place the steel dome on top of the
6 pilot house for the casino.

7 The parking garage -- well, you can see on one page
8 there, the bridge connector between the parking garage and
9 the casino is currently under construction. The event
10 center steel is about halfway up on the event center. And
11 the parking garage, they're currently on the second level of
12 the parking garage. The demolition has been completed
13 inside the French Lick Springs Resort. Right now, we're
14 well ahead of our December 31 schedule for opening. It's
15 looking more like November 1, potentially. And we're
16 pushing a very aggressive schedule on our construction
17 teams. You know, I've given them another date I'd like to
18 see them hit but we'll see.

19 I'd be happy to answer any questions related to the
20 construction or other questions that the Commission members
21 may have.

22 MR. CALLOWAY: Now, the West Baden Hotel, are you guys
23 remodeling that also?

24 MR. BACK: Yes, we are. The plan is for construction
25 to start on West Baden approximately April 1st, April 15th.



1 And our current target for that internal to Blue Sky is
2 April 1st of '07, which would be about three months ahead of
3 our original schedule of June 30th of '07. So we've got
4 teams down in French Lick. We've got multiple construction
5 trailers hooked together, seven construction trailers, a
6 large team. Weekly, we have project status meetings where
7 we go over the complete project schedule from the
8 construction standpoint. And we're doing the same thing on
9 the operations side of the island to get this up and
10 operational.

11 MR. CALLOWAY: Tell me what kind of experiences you've
12 had with the minorities and women doing business with you
13 out there.

14 MR. BACK: I'm very pleased to announce or tell you
15 that, on the minority business enterprise front, Harmon
16 Steel has been the steel erector on the casino. We've had
17 another, I believe, minority steel erector on the event
18 center. And the parking garage is under the contract with
19 an MBE. So that's possibly a nine, ten million dollar
20 contract with an MBE contractor for the parking garage.

21 You know, one of the things we're trying to do is work
22 with the MBEs to help them build capacities, because if we
23 don't help bring our resources and help teach them how to
24 handle bigger projects, we cannot meet our goal on this
25 project. So we've been working very closely with several



1 MBEs to help them get their bids in line and that type of
2 thing, make sure they've got their insurance in line, safety
3 programs, and that type of thing.

4 On the WBE front, I know that there's a local provider
5 company that's working on the casino that's a woman-owned
6 business enterprise. And I know that there are several
7 packages that are being bid by WBEs on the interiors for the
8 casino.

9 So we're making every effort to meet or exceed our
10 goals on both MBE and WBE. And from an MBE, I know that we
11 will be well in excess of our goals.

12 MS. ROSE: Can I ask you a question about one of these
13 pictures?

14 MR. BACK: Yes.

15 MS. ROSE: This one of the French Lick Springs Resort A
16 Wing Demo --

17 MR. BACK: Yes.

18 MS. ROSE: -- is that actually -- you've taken out the
19 entire guts, I'll say. So that would be the corridor, that
20 old corridor that you would look down as you walk down the
21 hall?

22 MR. BACK: That is correct. The A wing, we had to do
23 that because there was -- in the plaster in the walls we
24 detected very low levels of asbestos. And we made the
25 decision that we wanted an asbestos-free facility, so we



1 decided to go ahead and gut the entire facility in that way.

2 MS. ROSE: Any other surprises as you've done the
3 restoration of the hotel?

4 MR. BACK: No, not really. I mean, you're always gonna
5 run into little things; like in the front wing, the bathroom
6 floors needed to be replaced. That's a wood structure so
7 they rot where there's a lot of moisture. But, you know, we
8 think because the demolition is done, you know, we've got
9 most of the demolition done of the old kitchen area and the
10 old ballroom where we met on June 23rd --

11 MS. ROSE: Right.

12 MR. BACK: -- of last year, that's gone. That's where
13 the new pool is gonna be for the resort. And so things are
14 moving along very quickly. You know, it's -- you've gotta
15 stay on top of it every day; otherwise, people start to
16 slip. But, you know, I'm very proud of our construction
17 teams down there to be at the point where they are on the
18 construction schedule. And we're aggressive at that stuff.
19 That's what we do every day is construction and development;
20 and bringing projects in on time on budget is what we've
21 really built our company on.

22 MS. ROSE: Well, it's very exciting to see these
23 pictures of the progress that you've made, but I'm sure it's
24 even more exciting for the people of that area to see how
25 far it's come along.



1 MR. BACK: It has come along very quickly. And, you
2 know, we've got training programs, as you've probably read,
3 for our current employees; and we're looking at hiring
4 employees as we get further into the summer for our
5 permanent employees to open the facility up in the fall.

6 Any other questions? Thank you.

7 MR. CALLOWAY: Thank you.

8 Majestic Star Update, Mr. Don Barden.

9 MR. BARDEN: Good morning, Mr. Chairman, members of the
10 Commission, Mr. Yelton, Staff, IGC.

11 Let me start by complimenting French Lick on the
12 tremendous progress they're making. I'm very happy to see
13 that they're doing quite well to the extent it's a very
14 exciting project when it's done. I look forward to going to
15 visit when they open.

16 I'm also impressed with the facilities here. I haven't
17 had a tour yet, but this is kind of a dream that I have for
18 Gary in the future.

19 We're proud to be here today to give you an update on
20 our acquisition of Trump. As you know, we closed the
21 transaction on December 21st of last year. The Trump
22 Indiana name was changed to the Majestic Star Casino II.
23 Our goal was to merge gaming operations to maximize the
24 efficiencies of both vessels. The synergies that we had
25 projected to Wall Street as well as to the Commission are



1 being met, I'm very happy and pleased to say.

2 I'd like to share the podium now with our vice
3 president and general manager, the gentleman with the urban
4 accent, Barry Morris.

5 MR. MORRIS: Thank you.

6 Commissioners, Mr. Yelton, Staff, good morning.

7 I'll spend a couple of moments just briefing you on our
8 operational status. As Mr. Barden has indicated, we went on
9 the road show in late December, closed the deal to acquire
10 Trump on December the 21st, and the last several months have
11 been spent identifying the operational team.

12 In mid January we identified our executive staff, and
13 they have been busy consolidating both licenses together.

14 On March the 13th, the casino, Majestic II, will close
15 for approximately eight hours so that we can consolidate
16 both player tracking systems down to one system. We were
17 very fortunate that when we acquired Trump, they were
18 running the same software, so we anticipate no difficulties
19 at all in consolidating two player tracking systems down
20 into one. And as indicated, that process will be executed
21 on March the 13th.

22 March the 20th, we will announce our workforce as we
23 move forward. We've had a hiring freeze since the end of
24 October. Our staff, through natural attrition, has declined
25 by about 200 people. We have another couple of hundred to



1 regretfully separate from. But as we move forward with our
2 consolidated operation, we look forward to developing the
3 property and growing our labor force with both construction
4 and operational positions.

5 If I could just spend a moment sharing with you what
6 the properties look like and how they will move forward in
7 March. Currently, Majestic Star has nearly 41,000 square
8 feet of gaming and 1,600 slot machines. Trump, 43,000
9 square feet of gaming and 1,300 slot machines. As we move
10 forward after mid March, we'll move forward with 84,000
11 square feet of gaming and 2,500 slot machines, 58 table
12 games, and 21 poker tables. One deck of the Trump/Majestic
13 Star II vessel will be given over as a nonsmoking deck.
14 We'll develop high-end table games operating in a high-end
15 slot parlor on Majestic Star I. And we look forward to
16 operating two complimentary vessels that will give our
17 guests the real element of choice and choosing between two
18 gaming environments under one common operating team.

19 Having said all of that, we know we have a lot of work
20 to do. There's a real master plan to what it probably will
21 look like. Having given you our operational oversight, I
22 will hand it over again to Mr. Barden, who can share with
23 you some thoughts about our future vision.

24 Thank you, sir.

25 MR. BARDEN: Thank you, Barry.



1 The financing of this transaction of December 21st, we
2 received terms that were more favorable than we
3 anticipated. In fact, we're oversubscribed, so we're very
4 happy with that. As a result, more capital is available for
5 us to make improvements at all of our properties as a
6 result. The lower interest rate obviously enhances our cash
7 flow and gives us a lot of flexibility. In fact, as it
8 relates to the next page of potential future plans, it frees
9 up some capital for us to accelerate some of the activity.
10 Joe DeRosa's in the audience, so I'm not gonna tell you too
11 much about what we're planning to do. He's our competitor
12 next door.

13 But we are planning to move forward with the convention
14 center in conjunction with the City of Gary. We are
15 planning this year to break ground on the first phase of a
16 phased hotel, new hotel, at least of equal quality of
17 Resorts Hotel, which is a very nice facility, which I stay
18 when I'm in town, even after the Trump acquisition.

19 I'm also pleased to say that hopefully this year --
20 they just delivered the drawings to me as I departed Detroit
21 yesterday for some condominium units we're gonna build by
22 the little lake as you enter there. I'm going to speculate
23 out of my own pocket and start with 24 units there to see
24 how they go. If they go well, we'll build more. So we're
25 starting our residential component of our mixed use at that



1 site.

2 We have ongoing improvements in terms of
3 infrastructure. The city is underway with the second leg of
4 the access road that's coming into the property. So we're
5 very pleased about that. The photos you see here, there
6 will be a variation of that. We have a master plan that
7 will differ a little from this, but you'll get an idea of
8 what this is going to look like in the future. It's very
9 exciting, and I'm happy to say that we're gonna start a lot
10 of this activity this year.

11 In summary, as a result of this acquisition, we've
12 unlocked a lot of value in our assets; we have a proven
13 management team to implement our program; and we know that
14 it will be beneficial to the city of Gary and the state of
15 Indiana. And this acquisition has proven to be a perfect
16 strategic fit.

17 Thank you and I'll entertain any questions you may
18 have.

19 MR. FESKO: Mr. Chairman, I have a question.

20 MR. BARDEN: Okay.

21 MR. FESKO: Mr. Barden, I don't mean to beat this to
22 death, but in the headlines, as I left my home this
23 morning -- I live in Lake County. Yesterday it was in the
24 "Post-Tribune," today in "The Times" newspaper. We were
25 talking earlier, when you made your presentation at our last



1 meeting, about these two hospitals in Gary and East Chicago
2 that are very much at risk. And they're talking about
3 Methodist Hospital closing their Northlake campus.

4 Part of your plans, original design plans, in the
5 commercial development, was to put a medical facility. And
6 I asked you about it and then your staff couldn't answer the
7 question at that time if this was a special -- going to be a
8 special hospital or what it was or just an outpatient
9 clinic. Have you been able to define where you are on
10 that?

11 MR. BARDEN: Yeah. The preliminary report that I got
12 back -- we have not moved forward on that, by the way,
13 because I'm waiting for the entire master plan study to be
14 completed. But the initial information I got back was it's
15 not a hospital facility. It's more of a medical research,
16 doctors' offices type facility.

17 MR. FESKO: More or less an outpatient clinic?

18 MR. BARDEN: Yes, not a hospital.

19 MR. FESKO: Okay. Well, you see the impact of where
20 I'm going with this.

21 MR. BARDEN: Absolutely.

22 MR. FESKO: With that at risk for Methodist Hospitals,
23 we need to keep them open.

24 MR. BARDEN: Absolutely. And I give you the
25 assurance -- and I'm a man of my word -- that we will not



1 do anything that will negatively impact those hospitals.

2 MR. FESKO: Okay.

3 MR. NEWMAN: You had talked about running two gaming
4 environments and giving choice to the customer. In a
5 nutshell, is there a way that you would define the
6 difference between these environments? I'm just curious
7 from a marketing standpoint. Does one have a different
8 profile than the other? What would those choices be?

9 MR. BARDEN: Well, one example would be, one, there's a
10 nonsmoking floor on the Majestic II. That's a different
11 type of environment. Most of the table games will be on
12 Majestic I. That's a different kind of environment. If
13 you're having a bad streak of luck on one side of the
14 corridor, you can go across and change your luck, that sort
15 of thing.

16 There will be some entertainment options, a different
17 variety of music on one versus the other, so that you really
18 can go from one place to the other or just stay in one
19 particular place.

20 MR. NEWMAN: Kind of like when I change golf clubs?

21 MR. BARDEN: Yeah.

22 MR. NEWMAN: It's the golf club's fault.

23 MR. BARDEN: That's right. Yes. I'm a golfer myself,
24 and I can appreciate what you mean.

25 MR. NEWMAN: I note later in the agenda there will be



1 some issues involving Trump, some disciplinary type issues.
2 To the extent that compliance, going forward, will apply to
3 this organization, I assume that's been dealt with and
4 they've assumed whatever responsibility to ensure compliance
5 with those orders since that -- do you know what I'm
6 referring to?

7 MR. BARDEN: I don't but I'm sure we're responsible for
8 compliance with the vessel as of the 21st, unless it's a
9 huge amount of money that Trump owes.

10 MR. MORRIS: We're fully cognizant of those
11 disciplinary issues. We've been apprised of them. We've
12 also got a commitment to move forward with the Trump
13 compliance officer on our property, so we're going to
14 maintain a great deal of continuity with the operation. And
15 we're actively involved in merging both standard operational
16 internal controls, and we're adopting the strengths of each
17 two operators to move forward with one coherent operating
18 policy.

19 MR. BARDEN: Permit me to introduce Kay Fleming from
20 our venerable law firm of Ice Miller.

21 MR. CALLOWAY: Good morning.

22 MS. FLEMING: Good morning.

23 MR. BARDEN: Any other questions?

24 MR. NEWMAN: Where are the condos going? Can I see
25 that on Page 10 or 11 of the drawings, or is there an



1 indication on this?

2 MR. BARDEN: I can show you. I have a little sketch in
3 my -- I'll run back here.

4 MR. NEWMAN: Well, no. Don't do that. That's fine.

5 MR. BARDEN: I want to show you what -- a couple of
6 other little things too. I don't want Joe DeRosa to see
7 this, though.

8 MR. DEROSA: I've bought a condo already.

9 MR. NEWMAN: Joe said he bought a condo already.

10 (Mr. Barden shows the
11 Commission a group of documents.)

12 MR. BARDEN: Any other questions?

13 MR. CALLOWAY: No. Thank you, Mr. Barden. It looks
14 real good.

15 MR. BARDEN: Thank you very much.

16 MR. CALLOWAY: Delegation of Authority to the Executive
17 Director to Issue Subpoenas, Resolution 2006-1.

18 Phil.

19 MR. SICUSO: Thank you, Mr. Chair.

20 The first resolution of 2006 pertains to the delegation
21 of authority to the Executive Director. Pursuant to Indiana
22 Code 4-33-41(a)(11), the Indiana Gaming Commission may issue
23 subpoenas for the attendance of witnesses or the production
24 of documents for the purpose of administering, regulating,
25 or enforcing the system of riverboat gambling in Indiana.



1 In the course of completing investigations or pursuing
2 disciplinary or other administrative actions, it's become
3 apparent to Commission staff that it would be necessary on
4 occasion to issue subpoenas in order to gather pertinent
5 information. Because time is of the essence in
6 administrative investigations and other actions, and due to
7 the length of time that may elapse between Commission
8 meetings, Commission staff believes it would in the best
9 interest of the Commission and of the licensees in Indiana
10 to delegate authority to the Executive Director to issue
11 subpoenas. Resolution 2006-1, if approved, will grant that
12 authority to the Executive Director. The staff recommends
13 that you approve the resolution.

14 MR. CALLOWAY: We've heard the report from our counsel
15 on Resolution 2006-1. What's your pleasure?

16 MR. NEWMAN: I would request that -- first of all, I
17 support this. I think it's absolutely necessary, and
18 particularly as you grow the enforcement operations and
19 agencies and so forth, that you have the ability to timely
20 issue subpoenas, you know, without waiting for Commission
21 approval. However, I note that in some areas we have -- in
22 analogous areas, you have a provision to inform the
23 Commission afterwards at the next meeting as soon as
24 practical after one has been issued, and I would request
25 that language be added to this.



1 MR. SICUSO: Sure. We'll revise the resolution and
2 send it for signature, if you'd like to approve it in that
3 form.

4 And just so I'm clear, you'd like a reporting at the
5 next Commission meeting identifying the subpoenas that are
6 issued between meetings?

7 MR. NEWMAN: Yes.

8 MR. SICUSO: Is that the pleasure of the Commission?

9 MR. CALLOWAY: Yes.

10 Okay. Can we get a motion to that effect?

11 MR. FESKO: I'll make a motion that we accept that
12 subpoenas be issued.

13 MS. ROSE: I'll second it as amended.

14 MR. CALLOWAY: It's been moved and a second as
15 amended. All those in favor let it be known by the voting
16 sign of aye. Those opposed? Ayes have it. It's carried.

17 MR. NEWMAN: Phil, I saw in the packet that it just so
18 happens at this meeting there's another provision, and I
19 can't remember -- I don't have it -- that has this kind of
20 language in it in an analogous area. I'll look for it.

21 MR. SICUSO: Okay.

22 MR. NEWMAN: But you've used it before.

23 MR. CALLOWAY: Okay. We'll hear now from Ms. Jenny.

24 MS. CHELF: Good morning, Commissioners. I'd just like
25 to thank you for your kind send-off. That really means a



1 lot to me. It's really hard to leave the Commission. I've
2 worked under three executive directors and two chairmen.
3 And I can say that, throughout all of that, the Commission
4 has and continues to be operated with a lot of integrity,
5 and I'm glad to have been a part of that.

6 You have before you Resolution 2006-2, which, if
7 adopted, would approve a final draft of an amendment to 68
8 IAC 12-1, the regulations on -- regarding casino
9 surveillance systems. The staff began promulgation of this
10 bill with a notice of intent in August of 2005.

11 The proposed rule was published February 1st, and a
12 hearing to receive public comment was held on February
13 24th. Included in your packets are copies of written
14 comments received by the Commission and a transcript of the
15 public hearing. The Commission staff reviewed and
16 considered each of these comments and made what we believe
17 to be appropriate changes to the proposed wording of the
18 rule.

19 I do hope that we've addressed the majority of the
20 concerns raised by the industry and the suppliers of digital
21 systems and all interested parties.

22 If approved, a packet containing the final rule will go
23 to the office of the Attorney General and governor for
24 approval and finally filed with the Secretary of State.
25 This process usually takes several months.



1 Please note that the resolution also would adopt any
2 nonsubstantive editorial changes that the staff might make
3 during review of the document prior to sending it for
4 approval, things like in final review there's a place where
5 a comma needs to be removed and where words could be
6 rearranged to make things clearer. So the resolution, I
7 think, would allow the staff to go through the rule and make
8 those small changes, small nonsubstantive changes.

9 MR. CALLOWAY: Thank you. Are there any questions for
10 Jenny?

11 MR. NEWMAN: What is the timing for the implementation
12 of all of these?

13 MS. CHELF: After it goes -- after the packet goes to
14 the office of the Attorney General, they have about 45 days,
15 I believe, to review it. It goes to the governor's office,
16 who has -- I think it's 15 days and then an additional 15
17 days if he wants. If they sign off on it, the rule's then
18 sent to the Secretary of State. And once it's filed there,
19 it is effective 30 days after that.

20 A lot of people made a lot of comments that there are
21 some changes that would require the riverboats to make
22 investments and to upgrade systems, should they decide not
23 to change to digital systems, and we've tried to address
24 that. We added language in giving the Executive Director
25 the discretion to sort of -- if a casino says they're going



1 to get a new riverboat and is going to convert to a digital
2 system, they'd kind of be grandfathered in in terms of
3 making some of those upgrades to the old analogue systems.

4 MR. NEWMAN: If they are changing to digital, when do
5 they have to change by?

6 MS. CHELF: There's no deadline in the regulation
7 requirement to change to digital. So most of the ones that
8 I've spoken to plan on doing that, I believe. We just -- we
9 didn't elect to mandate that to them. We elected instead to
10 improve some of the requirements for the analogue systems so
11 that -- the goal is having adequate coverage. And so I
12 think that that is the way everyone will eventually go, but
13 we're sort of leaving that up to them to decide when to do
14 that.

15 MR. NEWMAN: And if they stay with the analogue, what's
16 the deadline for making the upgrade?

17 MS. CHELF: The plan was that the Executive Director
18 would send a memo asking the casino what their time frame is
19 on whether they're going to convert to digital or not. If
20 they're not, we would ask them to submit a plan outlining
21 the time frame in which they would like to phase out the
22 multiflectors and some of the things that we feel make the
23 analogue systems less effective. And so we would work with
24 them to do an effective plan. Some of them would have to --
25 they have varying degrees of capital expenditures that they



1 would have to do in order to meet these requirements. So I
2 don't think we felt like we could put in a time frame based
3 on public comment. We just thought it would be better to
4 handle everything administratively.

5 MR. NEWMAN: Thank you.

6 MR. CALLOWAY: Any other questions?

7 MR. YELTON: If I may, Mr. Chair, I want to recognize
8 Jenny and, also, Phil and their committee. This task was
9 Herculean. I mean, this was -- an incredible amount of time
10 has had to go into this proposal, and we're really proud of
11 the results. As a matter of fact, we gave the industry
12 their opportunity to give suggestions, and we looked at each
13 one of them. Not that we necessarily accepted each one, but
14 we at least gave due consideration to each one of their
15 considerations. And we were one of the first states to
16 adopt standards for digital surveillance. Undoubtedly, it's
17 going to be very near in the future for all of our casinos.
18 And you have every right to be very proud of the work the
19 committee has done in producing this product to you.

20 MR. CALLOWAY: We want to thank the staff for all the
21 hard work they've done.

22 Now the Chair will entertain a motion to accept the
23 recommendation of the staff regarding Resolution 2006-2.

24 MS. ROSE: I'll move to accept the recommendation of
25 the rule.



1 MR. FESKO: Second.

2 MR. CALLOWAY: Moved and a second. All those in favor
3 let it be known by the voting sign of aye. Those opposed?
4 Ayes have it. It's carried.

5 Exclusion List, Andrew Klinger. Mr. Klinger.

6 MR. KLINGER: Good morning. I guess maybe at this
7 point, good afternoon, Mr. Chairman, Commission members.
8 Well, maybe at least in Indianapolis time.

9 The first item I have for you is relating to the
10 exclusion of Robert Wilson. First, let me note that this
11 involves an exclusion where the Commission took action to
12 exclude someone from the boat. Later Ms. Bunton will talk
13 about the Voluntary Exclusion Program.

14 In this particular case, the case is not yet ripe for
15 final action by the Commission. However, there is a
16 procedural issue that we would like the Commission to
17 address at this time. Mr. Wilson was arrested for cheating
18 at a gambling game last year. Executive Director Yelton
19 took action to exclude him from all riverboats in Indiana.
20 Mr. Wilson petitioned for a hearing before an ALJ, which was
21 held in November of last year. And the findings of fact and
22 conclusions of law from the ALJ were submitted to the
23 Commission on March 1st of this year.

24 Mr. Wilson, under the statute, has a 15-day period in
25 which he can object to those findings. And because the



1 findings didn't come till March 1st, that period has not yet
2 expired.

3 The issue here is that this Commission, under the
4 statute, is supposed to issue a final action within 60 days
5 of those findings of fact being issued. Because the
6 Commission will not meet until June, that 60-day period will
7 expire. Fortunately, the statute provides that this
8 Commission may waive or extend that 60-day period for good
9 cause. And it is the recommendation of the staff that, by
10 motion, the Commission extend that period until June 30th so
11 that Mr. Wilson's right to object will be preserved, and
12 this Commission will have an opportunity to review the
13 record in full and address the issue in the June meeting.

14 MR. CALLOWAY: Any questions for Mr. Klinger about
15 Robert Wilson?

16 I guess you want us to extend the time he has to
17 respond?

18 MR. KLINGER: Yeah, exactly. It could be just a motion
19 by one of the members to extend that 60-day period until
20 June 30th of 2006.

21 MR. NEWMAN: I so move.

22 MR. FESKO: Second.

23 MR. CALLOWAY: Did we get a second?

24 MR. FESKO: Yes.

25 MR. CALLOWAY: It's been moved and seconded. All those



1 in favor let it be known by the voting sign of aye. Those
2 opposed? The ayes have it. It's carried.

3 Andrew, I believe it's still you.

4 MR. KLINGER: Thank you.

5 Yes. I have several occupational licensee matters for
6 your attention here today. The first is Jackie Humanski.
7 We have disciplinary action against Ms. Humanski. She
8 failed to respond to several requests for court
9 documentation regarding her criminal history. Disciplinary
10 action was initiated against her. However, prior to the
11 action ever going to hearing, Ms. Humanski was terminated
12 from her position at Horseshoe.

13 So we filed a motion to withdraw the complaint, and the
14 ALJ has issued an order -- or recommended an order to
15 withdraw that complaint. So at this time the staff simply
16 recommends that you approve the administrative law judge's
17 order to withdraw that complaint.

18 I will note that Ms. Humanski has been flagged within
19 our operative system; so if she does reapply at another
20 boat, we will be able to address issues at that time.

21 MR. NEWMAN: So the only harm that's done by
22 withdrawing the complaint isn't that she couldn't reapply in
23 the state of Indiana, but that she could reapply in some
24 other state?

25 MR. KLINGER: Yes, essentially. There's no action



1 taken against her. If she applied in another state, I
2 certainly, if they contacted us about it, we would -- that
3 motion would be held in our file. But we wouldn't end up
4 taking any action against her license, no.

5 MR. CALLOWAY: So you're requesting we -- you're
6 recommending that we uphold the order, 2006-3, on Jackie
7 Humanski?

8 MR. KLINGER: Yes. I would recommend that you approve
9 that order. Yes.

10 MR. CALLOWAY: Okay. Are there any questions of the
11 staff?

12 MR. NEWMAN: I have a question. If we wanted to take
13 action against her license, what steps would remain to take
14 that action?

15 MR. KLINGER: If you did not want to accept this order,
16 we would probably then have to pursue the disciplinary
17 action before the ALJ. She would have a right to a
18 hearing. The hearing would be held. The ALJ would then
19 issue findings of fact and conclusions of law, which then
20 would come back to the Commission for final approval.

21 MR. NEWMAN: She's never responded to any process that
22 you ever served on her, has she?

23 MR. KLINGER: Initially, she gave some response, but it
24 was woefully insufficient from what we wanted. But we have
25 not received any response from her regarding the



1 disciplinary action at all.

2 MR. NEWMAN: Well, okay. I would -- I think it doesn't
3 really matter that much in this case; but I think in the
4 future, I don't know what harm there is by noticing it up
5 and her essentially defaulting and having action taken
6 against her. Based on her track record, I think that it
7 would not be a bad thing to have an action placed against
8 her or people of this type that don't comply with requests
9 and aren't suitable for employment. But I'll support, in
10 this case, the withdrawal of the complaint.

11 MR. CALLOWAY: Was that a second? Was that a motion,
12 rather?

13 MR. NEWMAN: I'll move it.

14 MR. FESKO: Second.

15 MR. CALLOWAY: Okay. It's been moved and seconded to
16 support the recommendation of the staff. All those in favor
17 let it be known by the voting sign of aye. Those opposed?
18 Motion carried.

19 MR. KLINGER: Thank you.

20 The next item relates to Dennis Guthrie. Mr. Guthrie
21 applied for an occupational license back in June of 1996.
22 He worked as a captain on the Horseshoe Casino. He was
23 granted a temporary license by the Commission at that time,
24 worked as a captain at the Horseshoe Casino. Unfortunately,
25 an investigative report concerning Mr. Guthrie's background



1 was never completed, and he continued to work for a number
2 of years under a temporary license.

3 At some point in time, I think it was in 2004, it came
4 to the attention of the Commission staff that he had never
5 been permanently licensed and the investigation had never
6 been completed. Because a number of years had passed at
7 that time, the staff requested that he submit a new
8 application, which he did. And in the fall of last year,
9 Mr. Guthrie's investigatory report was finally completed by
10 the Gaming Commission and the Indiana State Police. And Mr.
11 Guthrie had disclosed on his application that he had been
12 convicted of a felony. He also had a couple of misdemeanor
13 convictions that related to alcohol and drugs, which under
14 Title 68 of the Indiana Administrative Code 2-3-5, an
15 applicant, whose duties will be to operate a riverboat, must
16 not have violated any criminal statute involving drugs or
17 alcohol.

18 Also, the background investigation revealed that he was
19 not in good standing with the Department of Revenue in
20 Indiana.

21 Based on all of the foregoing, the Commission staff
22 revoked his temporary license and recommends that the
23 Commission deny his application for permanent licensure.
24 You have before you Order 2006-4. Again, the staff would
25 recommend that you approve that.



1 MR. CALLOWAY: You heard the recommendation from staff
2 regarding Dennis Guthrie. Are there questions?

3 MR. FESKO: What kind of employee was he, as it appears
4 that he did have a temporary license? Do you know?

5 MR. KLINGER: I honestly cannot speak to his work
6 record during that time period. Clearly, we did not take
7 any disciplinary actions against him during that time
8 period.

9 MS. ROSE: Why did it take from October of 2004 to
10 September of 2005 to complete an investigatory report?

11 MR. KLINGER: Unfortunately, since I haven't been
12 around for that whole time period, I'm not really able to
13 answer that question either.

14 MS. ROSE: Is there anybody who can?

15 MR. SICUSO: The State Police conducted the
16 investigation. We rule on their final reports.

17 MR. KLINGER: I can tell you that we received the final
18 report in September of 2005. I can also say that I've
19 spoken to Mr. Guthrie personally and kind of explained to
20 him what has happened. And he, somewhat surprisingly,
21 actually, agreed and recognized that the actions that we
22 were taking under the law were appropriate and has suggested
23 that he probably will not challenge whatever the decision of
24 the Commission is. Although, he obviously would have a
25 right to appeal that decision to an administrative law



1 judge.

2 MR. NEWMAN: He has three convictions of possession of
3 a controlled substance, one of which is a felony?

4 MR. KLINGER: Yes.

5 MR. FESKO: Were there any convictions while he was an
6 employee?

7 MR. KLINGER: I'm sorry?

8 MR. FESKO: Were there any convictions over the eight
9 years that he was employed?

10 MR. KLINGER: I believe all of the convictions were
11 prior to his employment at Horseshoe.

12 MR. CALLOWAY: So if he would have divulged that
13 situation, he wouldn't have gotten hired anyway.

14 MR. KLINGER: Exactly. He probably never should have
15 been given a temporary license, to be honest with you.

16 MR. CALLOWAY: Other than this guy not paying his state
17 taxes, he's been doing a pretty decent job.

18 MR. KLINGER: Yes. That's an important issue. The
19 criminal offenses predated his employment; however, his poor
20 standing with the Department of Revenue does not. That is a
21 more recent issue, where he had not been reporting his
22 income to the Department of Revenue.

23 MS. ROSE: Is that a basis under which you would deny a
24 temporary license?

25 MR. KLINGER: It is. It can be.



1 MR. NEWMAN: Can it be a basis for denying a permanent
2 license --

3 MR. KLINGER: Yes.

4 MR. NEWMAN: -- or revoking a temporary license?

5 MR. KLINGER: Yes.

6 MR. SICUSO: There's nothing in the statute that
7 enumerates these things. It would be your call but I
8 think --

9 MR. KLINGER: Well, the regulations do actually
10 enumerate that an individual should be in good standing with
11 the Department of Revenue.

12 MR. MURPHY: Is that a routine part of the
13 investigation?

14 MR. KLINGER: Yes, for a PD-1. Yeah, for a Level 1
15 licensee, it would be.

16 MR. CALLOWAY: So we have a guy that's working, and it
17 seems like he's trying to do the right thing. And,
18 basically, we're getting ready to put him out of a job.

19 MR. SICUSO: Except for paying his taxes.

20 MR. CALLOWAY: Yeah, for paying his taxes.

21 MR. KLINGER: Yes.

22 MR. NEWMAN: Well, I'm going to move that we adopt the
23 recommendation that he be denied his temporary license.
24 That's my motion.

25 MR. CALLOWAY: Okay. It's been moved that Dennis



1 Guthrie's application for permanent license be denied. Is
2 there a second?

3 MS. ROSE: His temporary, right?

4 MR. KLINGER: No. This would be denial of his
5 application, so it would be --

6 MS. ROSE: So we're revoking his temporary license and
7 denying his permanent license.

8 MR. KLINGER: And denying his permanent license.

9 MS. ROSE: And he has the right to appeal this; right?

10 MR. KLINGER: Yes, he would have a right to appeal the
11 decision.

12 MR. NEWMAN: Okay. I'll change the wording then. I
13 move to deny the application and revoke the temporary
14 license.

15 MR. ROBINSON: And I'll second it.

16 MR. CALLOWAY: It's been moved and seconded. All those
17 in favor let it be known by the voting sign of aye. All
18 those opposed? The ayes have it and it's carried.

19 MR. KLINGER: The -- let's see. The next item is
20 Raymond Anderson. Unfortunately, this is the day of problem
21 cases. Mr. Anderson was issued a Level 3 temporary license
22 back in August of 2005 to work as a bar coder at Trump
23 Casino. Mr. Anderson disclosed several arrests on his
24 application, and we requested court documentation regarding
25 those arrests. In spite of several letters being sent to



1 Mr. Anderson, he initially did not respond. However --
2 well, and ultimately, this Commission -- we revoked his
3 temporary license and denied his application. However, it
4 has come to light that Mr. Anderson had attempted to fax
5 that information to the Commission. Unfortunately, there
6 was some miscommunication, and the faxes did not come
7 through and we did not receive them. However, Mr. Anderson
8 has eventually resolved that issue, and the court
9 documentation revealed no issues that would make us think
10 that he was unsuitable for licensure. So at this point, the
11 staff recommends that the Commission actually reinstate Mr.
12 Raymond Anderson's temporary license.

13 MR. CALLOWAY: You've heard the staff recommendation
14 regarding Mr. Raymond Anderson. Are there any questions?

15 MR. FESKO: I move that we accept the staff
16 recommendation, Mr. Chairman.

17 MR. CALLOWAY: Do we have a second?

18 MR. MURPHY: I'll second that.

19 MR. CALLOWAY: It's been moved and seconded that we
20 accept the staff recommendation regarding Mr. Raymond
21 Anderson.

22 MR. KLINGER: The last occupational licensee matter
23 involves Dan Collins. Mr. Collins applied for an
24 occupational license in December 28th of 2005, to work as a
25 deck hand at Caesars Casino. Mr. Collins disclosed on his



1 application that he had had two prior felonies for driving
2 under the influence. As a result, his application was
3 immediately denied. He was not granted temporary license.

4 Mr. Collins applied to the Commission for a waiver of
5 that felony disqualification. A hearing was held. I acted
6 as the review officer in that case and have prepared
7 findings of fact, which hopefully you received with your
8 documentation there. And I would recommend that Mr. Collins
9 be granted a waiver of his felony disqualification. I
10 believe that he has been rehabilitated since those offenses
11 occurred in 1991 and 1993.

12 MR. CALLOWAY: Okay. You've heard the recommendation
13 from staff regarding Mr. Daniel Collins. Are there any
14 questions?

15 MR. NEWMAN: I'm curious. He took two felony drunk
16 driving convictions. The first one, he would normally have
17 been given alternate misdemeanor sentencing in many
18 counties. He was not given that. Was he represented by
19 counsel in that?

20 MR. KLINGER: I believe he had -- I think he was
21 assigned counsel. He -- I can tell you here in just a
22 second. He had previous misdemeanor offenses.

23 MR. NEWMAN: Right. That's how he predicated the
24 felony drunk driving.

25 MR. KLINGER: Right.



1 MR. NEWMAN: But, typically, someone would get the
2 alternate misdemeanor sentence on the first felony charge of
3 drunk driving and he did not and that's unusual.

4 MR. KLINGER: I believe he was assigned a public
5 defender in that case.

6 MR. NEWMAN: So I would just note that although there
7 are two of these, the first one would normally not have been
8 a felony in most counties for a person that was well
9 represented. And I would also point out that the guy has
10 been clear since 1993. He has been forthright in disclosing
11 these matters; is that correct?

12 MR. KLINGER: Yes.

13 MR. NEWMAN: And he seems to be -- and the position
14 we're talking about is a -- that he wants to fulfill as an
15 employee, is what type of position?

16 MR. KLINGER: It is a deck hand position, which, from
17 what I understand, is primarily maintenance-related
18 activities. He would rarely be on the casino floor.

19 MR. NEWMAN: I think we should -- you know, my position
20 would be to endorse the recommendation of the court here and
21 that we grant the waiver. The guy's been clean since 1993.
22 It's 13 years. He's employed and wants to be employed, and
23 I think he should be commended for his efforts at
24 reforming. He continues to attend AA classes, and this is a
25 guy that we ought to support. So I would move that this



1 recommendation be approved and that the waiver be granted.

2 MR. CALLOWAY: Is there a second?

3 MS. ROSE: I'll second.

4 MR. CALLOWAY: It's been moved and seconded that we
5 grant the waiver to Mr. Daniel Collins. All those in favor
6 let it be known by the voting sign of aye. Those opposed?
7 The ayes have it. It's carried.

8 Okay. I think you still have the floor, Andrew.

9 MR. KLINGER: Yes. Before I turn it over to Michelle
10 regarding supplier renewals, I wanted to update you on a
11 couple of pending investigations regarding two of our
12 suppliers. You may recall, those that were here last
13 September and November, that we had applications for renewal
14 of supplier licenses from Chipco International and
15 VendingData. They submitted their renewal form and the
16 \$5,000 fee. However, both have also been reported for some
17 outstanding regulatory issues in other jurisdictions. At
18 that time, the Commission approved a six-month extension of
19 their license to allow Commission staff to investigate those
20 regulatory issues.

21 The first one I'd like to address is Chipco
22 International. They actually reported four -- regulatory
23 issues with four different jurisdictions. The Commission
24 was able to gather information regarding all of those
25 regulatory issues. Three of them have been satisfied to the



1 staff's satisfaction. The remaining one, however, involves
2 British Columbia, Canada, where the legal division has
3 obtained correspondence from Chipco and the Gaming Policy
4 Enforcement branch of British Columbia, which indicate that
5 their interim registration in British Columbia had been
6 cancelled by that British Columbia authority.

7 At this time we believe that this warrants further
8 investigation. The Executive Director has authorized that
9 this matter be turned over to the Background and Financial
10 Investigations Unit of the Division of Gaming Agents to
11 assist in completing this investigation and advise him of a
12 proposal for a final course of action by the Commission at
13 its next business meeting. However, because the initial
14 extension was only for six months, it will expire in April.
15 So at this time the Commission is recommending that -- the
16 staff is recommending that the Commission approve Order
17 2006-7, which would further extend their license for a
18 period of three months until June 30th, 2006, to allow us to
19 conclude our investigation and make a recommendation to the
20 Commission at the next meeting.

21 MR. CALLOWAY: You have the reported recommendation
22 from staff regarding the Chipco license. Any questions?

23 So because of further investigation, you basically want
24 to extend their license for three months?

25 MR. KLINGER: Yes. Yes. We believe there's enough



1 information to make us think this is a serious issue that
2 warrants further investigation.

3 MR. CALLOWAY: Okay. If there are no questions, can we
4 get a motion to adopt the staff recommendation?

5 MR. ROBINSON: So moved. I'll move to accept the staff
6 recommendation.

7 MR. CALLOWAY: Is there a second?

8 MR. MURPHY: Second.

9 MR. CALLOWAY: It's been moved and seconded that we
10 extend Chipco's license for approximately three months. All
11 those in favor let it be known by the voting sign of aye.
12 Those opposed? Ayes have it. It's carried.

13 MR. KLINGER: The second issue was related to
14 VendingData Corporation. They reported a regulatory issue
15 in Louisiana. We've had contact with the Louisiana Gaming
16 Control Board. Because of Hurricane Katrina, they were
17 forced to delay their disciplinary action in this case.
18 They did eventually hold a hearing in January of this year,
19 and apparently they have entered into a settlement agreement
20 with VendingData regarding their violations down there. And
21 that agreement has finally been approved by the Louisiana
22 Gaming Control Board. However, we just received that
23 information on March 1st, and we have not had enough time to
24 properly analyze all the facts and circumstances that
25 surround that settlement. It's basically to make a



1 determination whether those actions would detrimentally
2 affect their supplier's license in Indiana.

3 So, again, we would recommend in this case that the
4 Commission grant another temporary extension to June 30th to
5 allow us to complete our analysis of that settlement and
6 make a recommendation to the Commission at the June
7 meeting. I have Order 2006-8 that essentially expresses
8 that.

9 MR. NEWMAN: So moved. I'll move that they be granted
10 that additional time.

11 MR. CALLOWAY: Is there a second please?

12 MR. ROBINSON: I'll second.

13 MR. CALLOWAY: It's been moved and seconded that we
14 extend the license renewal for VendingData to June 30. All
15 those in favor let it be known by a voting sign of aye.
16 Those opposed? Ayes have it. It's carried.

17 MR. KLINGER: Thank you.

18 MR. NEWMAN: Just one small point.

19 MR. KLINGER: Yes.

20 MR. NEWMAN: Back on Raymond Anderson. I would suggest
21 writing him a letter noting that his duty, that he
22 recognized in his agreement, to notify the Commission agent
23 at Trump within X number of days of his -- of any arrests,
24 that that be clarified to include any successor to Trump,
25 his employer.



1 MR. KLINGER: Okay. Yes. I will do that.

2 MR. CALLOWAY: Michelle Marsden.

3 MS. MARSDEN: Good morning.

4 MR. CALLOWAY: Good morning.

5 MS. MARSDEN: Before you is Order 2006-9. It's
6 concerning the renewal of supplier licensees. Pursuant to
7 Resolution 2005-9 and 10, the Commission renewed the
8 supplier license of WMS Gaming, Inc.; Valley Gaming, Inc.;
9 Development Systems, Inc.; Atlantic City Coin & Slot Service
10 Company; and Certegy Transaction Services, Inc. I do want
11 to mention, though, Development Systems is a certified WBE
12 here in the state of Indiana.

13 Conditions are placed on suppliers' licenses as they
14 must be renewed annually in a request for renewal of a
15 supplier's license at least 30 days before the expiration of
16 the license and in accordance with 68 IAC 2-2-8.

17 The Commission staff has received the request for the
18 annual renewals along with the renewal fees for the above
19 suppliers. These supplier licensees remain suitable for
20 licensure at this time. The Commission staff recommends
21 that you grant the renewals of the licensees listed above.

22 MR. CALLOWAY: You have the recommendation from the
23 staff. Are there any questions?

24 MR. FESKO: I'll move that we adopt Order 2006-9.

25 MS. ROSE: I'll second.



1 MR. CALLOWAY: It's been moved and seconded that we
2 approve Order 2006-9. All in favor let it be known by the
3 voting sign of aye. Those opposed? Ayes have it. It's
4 carried.

5 Thank you.

6 Riverboat Owner's Matters, Phil.

7 MR. SICUSO: Thank you, Mr. Chair.

8 We'll start with some financing matters. On April
9 21st, 2005, the Commission approved or adopted Resolution
10 2005-24, which was intended to clarify the Executive
11 Director's authority and the procedures by which he would
12 act in order to provide interim approval for debt
13 transactions of riverboat licensees and operating agents,
14 and he could do so without having to wait for the full
15 Commission approval at a meeting.

16 Due to the fact that there was no certified public
17 accountant appointed to the Commission at that time,
18 Resolution 2005-24 permitted the Executive Director to issue
19 interim financing approvals and waivers only after
20 discussing the proposed debt transactions with the
21 Commission Chair and with the Commission's outside financial
22 analyst and CPA, Dr. Charlene Sullivan.

23 Prior to the adoption of 2005-24, it's the
24 understanding that the Commission's CPA performed a
25 financial analysis, which is similar to that which Dr.



1 Sullivan does right now. Pursuant to its terms, though,
2 2005-24 would expire as soon as a CPA was named to the
3 Commission.

4 In December, Governor Daniels appointed Tim Murphy, who
5 is a CPA, to the Commission. And although he is a CPA, the
6 Commission staff believes that it would be in the best
7 interest of the Commission and the licensees and the CPA
8 member to continue the structure under which we adopted
9 under 2005-24 in order to be more efficient and save the CPA
10 a considerable amount of time that would be -- I think I can
11 categorize it as grossly greater than the amount of time
12 that the other commissioners would have to spend on these
13 matters.

14 So, if approved, Resolution 2006-10 is simply designed
15 to continue the exact procedure that we adopted in 2005-24,
16 and we recommend approval.

17 MR. NEWMAN: Well, I, for one, having heard that he's
18 retiring on Friday, think he should be kept busy. I'd be
19 leaning toward opposing.

20 MR. CALLOWAY: You heard the report from staff
21 regarding 2006-10, whether or not we're gonna keep Mr.
22 Murphy real busy.

23 MR. ROBINSON: Welcome to the Commission.

24 MR. CALLOWAY: What's your pleasure?

25 MR. NEWMAN: I do think that we ought to consult with



1 him in his expertise but without demanding free servitude on
2 his behalf, so I support this motion.

3 MR. FESKO: Second.

4 MR. CALLOWAY: It's been moved and seconded. All those
5 in favor let it be known by the voting sign of aye. Those
6 opposed? Ayes have it. It's carried.

7 MR. SICUSO: The next resolution -- excuse me. This is
8 an order. This has to do with Harrah's, a proposed
9 financing. February 20th of this year, Harrah's
10 Entertainment, Inc., requested Commission approval to issue
11 a series of SEC registered securities over the course of the
12 next two years. According to the proposal, the notes will
13 be issued with the interest rate to be determined by the
14 appropriate prevailing market rate at the time of the
15 issuance and a maturity period of up to ten years from the
16 date of issuance.

17 Harrah's proposal has been fully analyzed by Dr.
18 Charlene Sullivan, who has issued to you a confidential
19 summary report, and recommends approval. If adopted, Order
20 2006-11 would approve Harrah's request and waive the 68 IAC
21 5-3-2 two-meeting rule. Pursuant to the terms of the order,
22 Harrah's would be required to abide by the following
23 restrictions: One, they would need to abide by all
24 applicable SEC laws and regulations in the issuance of the
25 securities. Two, it would need to notify the Commission



1 prior to each issuance of debt securities and subsequently
2 submit all final documentation for review by Commission
3 staff. Third, with each submission of final documentation,
4 it would need to provide a letter from legal counsel
5 indicating the issuance does not violate the Riverboat
6 Gambling Act. Finally, if at any time prior to April 1st,
7 2008, Harrah's issuance of debt securities would exceed the
8 aggregate amount currently confidential and which has been
9 identified in its February 2006 letter, it must seek further
10 approval of the Commission prior to doing so.

11 With that, Commission staff recommends that you approve
12 Order 2006-11.

13 MR. CALLOWAY: You've heard the report from Phil on
14 Order 2006-11. Are there any questions? If not, the Chair
15 would entertain a motion to accept the staff recommendation
16 as to Order 2006-11.

17 MR. NEWMAN: So moved.

18 MR. MURPHY: I second.

19 MR. CALLOWAY: Moved and seconded. All those in favor
20 let it be known by the voting sign of aye. Those opposed?
21 Ayes have it. It's carried.

22 Phil.

23 MR. SICUSO: The next matter is the financing matter
24 related to Blue Sky. In a letter dated February 16th, 2006,
25 Blue Sky Casino, LLC, requested that the Commission would



1 authorize a proposed increase of its total indebtedness,
2 which was previously approved by the Commission in September
3 of 2005. That was pursuant to Resolution 2005-53. Under
4 Blue Sky's proposal, total indebtedness for the French Lick
5 resort and casino project would increase by a total of \$30
6 million.

7 All details of Blue Sky's proposal have been analyzed
8 by Dr. Sullivan, who has completed a confidential summary
9 report, again containing a positive recommendation. Dr.
10 Sullivan's report has been provided to you.

11 If approved, Order 2006-12 would approve Blue Sky's
12 request to increase its principal amount of its financing by
13 a total of \$30 million and would waive the two-meeting
14 rule. Commission staff recommends that you approve 2006-12.

15 MR. CALLOWAY: You heard the report from Phil regarding
16 Blue Sky's finances, Order 2006-12. We did get a copy of
17 Dr. Sullivan's recommendation and analysis prior to this
18 meeting. Are there any questions? If not, the Chair will
19 entertain a motion to accept the staff recommendation.

20 MR. MURPHY: I so move.

21 MS. ROSE: I'll second.

22 MR. CALLOWAY: It's been moved and seconded that Order
23 2006-12 be approved.

24 Okay. Moving on with Phil.

25 MR. SICUSO: The next order of business has to do with



1 Resorts.

2 MS. ROSE: Do you need to call for a vote?

3 MR. SICUSO: Did you get a vote?

4 MR. CALLOWAY: No. Sorry. I didn't.

5 All of those in favor of 2006-12 let it be known by the
6 voting sign of aye. Those opposed? Thanks.

7 MR. SICUSO: On April 21st, 2005, the Commission
8 approved the renewal of the license currently held by RIH
9 Acquisitions Indiana, LLC, commonly referred to as Resorts,
10 for a period of one year, from April 15th, 2005, to April
11 14, 2006. This is the license that they acquired from
12 Harrah's.

13 On February 27th, 2006, in compliance with our
14 regulations, 68 IAC 2-1-9, Resorts properly submitted
15 payment of the annual renewal fee in the amount of \$5,000.
16 It also requested that the Commission renew its riverboat
17 owner's license at this meeting. It is the finding of the
18 Commission staff that Resorts is currently in compliance
19 with the conditions and requirements of the Riverboat
20 Gambling Act and, thus, remains a riverboat licensee in good
21 standing with the Commission at this time.

22 If adopted, Order 2006-16 would renew Resorts' license
23 for a period of one year from April 15th, 2006, to April
24 14th, 2007, subject to the following conditions: First,
25 Resorts is to continue to provide the IGC with a remote



1 dial-in to its slot accounting management systems. Second,
2 Resorts is to maintain a bond in the amount of \$2,765,000 to
3 secure its economic obligations. Third, Resorts is to
4 continue to maintain the Commission's 10 percent and 5
5 percent goals of minority and women's business
6 participation, respectively. Finally, Resorts is to remain
7 in compliance with all applicable state and local laws and
8 regulations.

9 Commission staff recommends approval of Order 2006-16.

10 MR. CALLOWAY: Okay. You heard the recommendation from
11 the staff regarding renewing the owner's license for Resorts
12 International Holdings, Order 2006-16. Are there any
13 questions? If not, the Chair would entertain a motion to
14 accept the staff recommendation.

15 MR. KNAUER: Mr. Chairman, I represent the City of East
16 Chicago. I'm Jim Knauer, outside counsel. We submitted a
17 letter yesterday addressed to the Executive Director
18 requesting to address the Commission today. I understand
19 that that letter was viewed as untimely. However, we'd like
20 the Commission to consider the contents of the letter and
21 let the record show that we're here today and prepared to
22 speak. Also here is the corporation counsel of the City of
23 East Chicago, Carmen Fernandez.

24 MR. CALLOWAY: Thank you.

25 You heard the recommendation from the staff regarding



1 Order 2006-16. The Chair will entertain a motion to accept
2 the staff recommendation at this time.

3 MR. FESKO: Mr. Chairman, I move that we accept the
4 staff recommendation regarding Order 2006-16 at this time.

5 MR. CALLOWAY: Do we have a second?

6 MS. ROSE: I'll second the motion.

7 MR. CALLOWAY: All in favor of the motion, let it be
8 known by the voting sign of aye. Those opposed? The ayes
9 have it. It's carried.

10 Voluntary Exclusion Program. Angie Bunton.

11 MS. BUNTON: You have before you three orders regarding
12 the Voluntary Exclusion Program and winnings won by John Doe
13 No. 1, John Doe No. 2, and John Doe No. 3. Pursuant to 68
14 IAC 6-3-2(g), a participant in the program agrees that if he
15 or she violates the terms of the program and enters the
16 gaming area of the facility under the jurisdiction of the
17 Commission, they will forfeit any jackpot or value award as
18 a result of a wager.

19 Under Order 2006-13, John Doe No. 1 won \$19,000 at
20 Argosy Casino. Argosy withheld the winnings as required by
21 Commission regulations. Commission staff recommends that
22 you approve the remittance of these winnings as a fine
23 levied against John Doe No. 1.

24 Under Order 2006-14, John Doe No. 2 won \$2,400 from
25 Grand Victoria Casino. Grand Victoria withheld the winnings



1 as required by Commission regulations. The Commission staff
2 recommends that you approve remittance of these winnings as
3 a fine levied against John Doe No. 2.

4 Under Order 2006-15, John Doe No. 3, won \$1,818 at
5 Majestic Star Casino. Majestic Star withheld the winnings
6 as required by Commission regulations. The Commission Staff
7 recommends that you approve the remittance of these winnings
8 as a fine levied against John Doe No. 3.

9 MR. CALLOWAY: You heard the recommendation of the
10 staff regarding Orders 2006-13, 2006-14, and 2006-15. Are
11 there any questions?

12 MR. NEWMAN: I have a question. Under this program, we
13 only have authority to require them to disgorge the winnings
14 that they had? For example, this one individual, John Doe
15 No. 1, had \$20,000 in chips of which \$19,000 was shown to
16 have been won in a jackpot and a thousand was just his own
17 money that he turned into chips. Is the extent of our
18 authority to take the jackpot and not any of the chips that
19 he acquired with his own money?

20 MS. BUNTON: Usually what -- I mean, it is our
21 authority to -- I believe, to take all of it, but we don't
22 feel it's right to take all of their money that they walk
23 into the casino with. So we try to just take whatever is
24 won based on the wager and try not to take it if it's
25 considered like private money.



1 MR. NEWMAN: Well, in view of the fact that the program
2 is voluntary, I guess it's all right. But it's not a fine
3 to let someone go in and acquire chips and try to win; and
4 if they win and get away with it, great; and if they win and
5 get caught, they give up what they won. It's not really a
6 fine. It doesn't impose any real pain on the individual.
7 In fact, it allows them to have the thrill of winning and
8 maybe getting out the door if the system doesn't catch
9 them. So you might consider changing that to impose a
10 little bit of sting to it. You might have fewer of these
11 cases.

12 MS. BUNTON: Right.

13 MR. CALLOWAY: Any other questions? If not, the Chair
14 will entertain a motion to accept staff recommendation on
15 2006-13, 14, and 15.

16 MR. FESKO: I'll move to accept.

17 MS. ROSE: I'll second.

18 MR. CALLOWAY: All those in favor let it be known by
19 the voting sign of aye. Those opposed? Ayes have it. It's
20 carried.

21 Jenny Chelf.

22 MS. CHELF: Commissioners, you have before you seven
23 settlement agreements regarding disciplinary actions that
24 the Commission staff has identified. In each case the
25 Commission staff has worked with the casino to arrive at a



1 settlement agreement.

2 So the first one is regarding Horseshoe Casino
3 Hammond. You have before you a settlement agreement
4 regarding a minor who was about to enter the Horseshoe
5 vessel. Horseshoe has agreed to pay a fine of \$4,500. The
6 Commission staff recommends that you approve the settlement
7 agreement.

8 MR. CALLOWAY: You heard the recommendation from the
9 staff regarding Horseshoe Order 2006-17 with regard to
10 fining Horseshoe \$4,500. Is there any questions? If not,
11 the Chair will entertain a motion to accept the staff
12 recommendation.

13 MR. ROBINSON: I'll move to accept the staff
14 recommendation.

15 MR. CALLOWAY: Do we have a second?

16 MS. ROSE: Second.

17 MR. CALLOWAY: Is there any questions? All those in
18 favor let it be known by the voting sign of aye. Those
19 opposed? Ayes have it. It's carried.

20 MS. CHELF: Okay. The second one is Order No.
21 2006-18. This would approve or disapprove a settlement
22 agreement between the Commission staff and Caesars. The
23 settlement agreement involves three counts. The first count
24 involves Caesars' violation of approved internal control
25 procedures that would require security rather than deck



1 hands to take the on-board patron count at 6:00 a.m. every
2 morning. Caesars' internal audit had identified the
3 problem, and then Caesars failed to promptly correct the
4 problem.

5 The second count involves violations of the Voluntary
6 Exclusion Program regulations, which prohibit casinos from
7 sending promotional marketing materials to the VEP
8 participants.

9 The third count involves a violation of the sensitive
10 key regulation. Caesars has agreed to pay a total fine in
11 the amount of \$91,000, and the Commission staff recommends
12 that the Commission approve the settlement agreement.

13 MR. CALLOWAY: Okay. You heard the report from the
14 staff regarding Caesars, Order No. 2006-18. Is there any
15 questions?

16 MS. ROSE: That's a big fine.

17 MS. CHELF: It is. Count 1 is a fairly sizable
18 amount. The Commission staff thought because those -- the
19 issues involved were serious, because the internal audit
20 happened to catch the problem and then Caesars didn't
21 immediately act to correct it. We did have discussion --

22 MS. ROSE: Oh, so it had been ongoing since 2003.
23 Their own internal auditors said there was a problem and
24 they didn't do anything?

25 MS. CHELF: Right. And then Count 2, regarding the



1 mailing to the VEP participants, there were quite few --
2 well, I think there were eight or nine individuals that
3 received one mailing, and then one individual received a
4 second mailing. And Caesars also previously had this
5 problem and paid -- I believe it was a \$30,000 fine in the
6 last year.

7 MR. YELTON: It was \$35,000.

8 MR. NEWMAN: As a guy who once indicted a person for
9 murder and then sent them a solicitation for a contribution
10 to my campaign, I have some sympathy for that.

11 MR. YELTON: Well, did you get one?

12 MR. NEWMAN: They transferred some of their commissary
13 funds to me.

14 MR. CALLOWAY: As it relates to the fine, do you have a
15 scale that you use based upon the severity of the crime,
16 that you use -- how do you determine that Count 1 was
17 \$50,000, Count 2 was \$38,500, and Count 3 was \$2,500?

18 MS. CHELF: Well, the process that the committee has
19 come up with, as we started the compliance process, we
20 really tried to come up with set fine structures. You'll
21 see that in a situation where minors were on the vessel, we
22 have kind of a graduated amount. If they have more than one
23 incident in six months, it goes up.

24 Most other things, we have not gotten to that degree of
25 specific fine amounts. A lot of times we find that we do



1 start to assign particular amounts, such as in Count 2, we
2 had like a \$5,000 amount for the VEP violation; and then you
3 see three or four different circumstances that are
4 situations that come up where you try to apply that same
5 standard and you come up with just -- you know, you just --
6 it just doesn't work that way because the circumstances are
7 often so different.

8 So in Count 2, the amount that was calculated based on
9 the \$5,000 per patron receiving the mailing would have been
10 something like \$45,000. And then in the September
11 Commission meeting, Don Vowels asked us to impose a greater
12 fine if the same casino had the same problem again. And so
13 we did it at a 10 percent increase.

14 So the initial proposal by the committee was quite a
15 bit higher than we arrived at in the internal review, the
16 process before we sent the proposal to Caesars. So when
17 we've tried to do that, it sometimes doesn't work out that
18 way.

19 MS. ROSE: Well, it appears to me that Caesars has some
20 internal control issues that it probably wants to address.
21 And I would move to approve this recommendation and suggest
22 that if Caesars has additional issues that come up, then
23 maybe they -- the imposition of the fines might be greater
24 than what \$91,000 is right now.

25 MS. CHELF: Okay. I will say that Caesars did come in



1 to meet with us regarding the violations in Count 1, and
2 I've communicated with them about it. And I think Tim
3 Lambert is here, if you would like to ask him any questions
4 or if he would like to say anything.

5 MR. LAMBERT: Good afternoon. Tim Lambert for
6 Caesars. As far as the VEP violation is concerned, that was
7 a situation that there were a lot of circumstances
8 surrounding the difficulty with the direct mail piece. It
9 was a piece that was sent out by a third party. In light of
10 the sale to Harrah's of the property and in light of also
11 some issues with Hurricane Katrina, we could never put our
12 finger on why these direct mail pieces went to these
13 individuals. A couple of the individuals had slightly
14 different mailing addresses or slightly different names in
15 the system, and it appears that that may be a reason that
16 they weren't caught.

17 We did, at some point during that direct mail piece,
18 scrub our list to make sure that the VEP members were taken
19 out of it. But this mail piece, it took several months, I
20 think eight months, before the piece actually dropped. And
21 somewhere along the line the list was not scrubbed again.
22 So most of those members of the VEP list were recent entries
23 into it, not within the 45 days, but longer than that.

24 As far as the turnstile situation is concerned, that's
25 all I have to say about that.



1 MS. ROSE: All right.

2 MR. LAMBERT: But we have addressed that issue. It was
3 not taken lightly. And that is the issue that we came to
4 meet with the compliance committee on. And it's not
5 something that we expect to have a repeat offense on.

6 MR. CALLOWAY: All right. Was that a motion?

7 MS. ROSE: It was a motion. I move to approve the
8 settlement.

9 MR. ROBINSON: Second.

10 MR. CALLOWAY: It's been moved and seconded that the
11 staff recommendation be approved. All those in favor let it
12 be known by a voting sign of aye. Those opposed? Ayes have
13 it. It's carried.

14 MR. YELTON: Mr. Chair, I might also add that when the
15 committee and, ultimately, when I reviewed these proposed
16 fines, we are trying to take into consideration whether or
17 not they've been self-reported, because I personally believe
18 that we ought to encourage the industry to be open and
19 honest with us as quickly as possible. And so we try to
20 discount those fines if we feel like they've notified us as
21 quickly as possible and with full disclosure.

22 MS. CHELF: The third item would be Order No. 2006-19
23 regarding disciplinary matters with Blue Chip Casino. There
24 are four counts involved in this settlement agreement. The
25 first one involved an independent bar patron who was allowed



1 to board the casino. Count 2, the details that were a
2 violation of 68 IAC 8-2-2, which requires a licensed EMT to
3 be on the vessel. Now, as you've noted in the waiver
4 summary, now the EMTs have to be on the property at all
5 times.

6 Count 3 involves a situation where a voluntary
7 exclusion patron received a credit card cash advance at the
8 cage. The cage cashier failed to ensure that the person was
9 not on the VEP list before approving the transaction.

10 Count 4, I'll just make a little note about this. The
11 committee -- the legal division for the past several years
12 has informed the casinos and stressed the point that
13 occupational licensees should not be allowed to work on
14 expired badges. And in order that the Commission's
15 information and our occupational licensing system is correct
16 and accurate and up to date and the renewals are completed
17 on time, we placed the burden on the casino to make sure
18 that they make sure that their employees get their licenses
19 renewed on time.

20 So we did -- on February 24th, we did a review of the
21 system and pulled up all the expired occupational licensees
22 at all of the casinos, and we propose a \$1,500 amount be
23 imposed for each one that has an expired license about which
24 the casino couldn't explain to us or didn't have an
25 explanation, like a mix-up of paperwork or something like



1 that.

2 Count 4, Blue Chip had 14 expired permit occupational
3 licensees whose licenses had not been renewed as of February
4 24th, and they have agreed to settle that for a fine in the
5 amount of \$15,000. Actually, that 14 is probably
6 incorrect. I think it was 10.

7 Anyway, Blue Chip has agreed to pay a total fine in the
8 amount of \$94,000. I believe Jack Thar is here representing
9 Blue Chip, if you have any questions for him or me.

10 MR. CALLOWAY: You heard the report of Order 2006-19
11 regarding Blue Chip. Are there any questions for staff or
12 the counsel?

13 MR. FESKO: What is the total for --

14 MR. CALLOWAY: \$94,000.

15 MS. ROSE: \$94,000 is the total; is that right?

16 MS. CHELF: Yes.

17 MS. ROSE: I'll move to approve the settlement
18 agreement.

19 MR. FESKO: I'll second.

20 MR. CALLOWAY: It's been moved with a second. All in
21 favor let it be known by the voting sign of aye. Those
22 opposed? The ayes have it. It's carried.

23 Okay.

24 MS. CHELF: The next one is Order No. 2006-20. This is
25 regarding a fine against Indiana Gaming Company, LP, or



1 Argosy, regarding employees who failed to renew badges in a
2 timely manner. And Argosy has agreed to pay a fine in the
3 amount of \$22,500 in settlement of this matter.

4 MR. YELTON: This agreement will be in the supplemental
5 materials that we provided to you this morning, because the
6 orders -- there were not agreements done in time when we did
7 the mailing.

8 MS. ROSE: And this is the same issue on running it
9 through your system and --

10 MS. CHELF: Yes.

11 MR. NEWMAN: How many employees were there?

12 MS. CHELF: 15, I believe.

13 MR. NEWMAN: And that's Argosy?

14 MS. CHELF: Yes.

15 MR. NEWMAN: Okay. And this, sort of, burden-shifting
16 that you've done, which makes sense to me, they've been duly
17 informed of this position, that it's their responsibility to
18 stay on top of it the way they ought to?

19 MS. CHELF: Yes. Well, I wouldn't say it's a burden
20 shift. I think that our regulations require riverboat
21 licensees to -- occupational licensees to have current
22 licenses so -- but we have, yes, for probably three or four
23 years now, stressed in the memo when Michelle Marsden, who,
24 as the coordinator, sends out a list of people who are due
25 for renewal in the next two or three months, and she puts in



1 the memo that it's the responsibility of the riverboat
2 licensees to make sure that the occupational licensees are
3 not allowed to work on an expired badge.

4 In the January memo, January 10th she sent out a memo
5 that said, you know, basically get these done or we're
6 forwarding it to the compliance committee for action. So we
7 felt like we've stressed the point. And, you know, a lot of
8 the casinos have been able to explain the information on
9 employees and a lot of them do a really good job.

10 MR. NEWMAN: The letter that goes to the licensee
11 actually lists the employees that are coming due?

12 MS. CHELF: Yes.

13 MR. NEWMAN: Okay. I support that and I move that we
14 adopt the recommendation on Indiana Gaming.

15 MR. CALLOWAY: You heard the motion. Do I have a
16 second?

17 MR. FESKO: Second.

18 MR. CALLOWAY: All those in favor let it be known by
19 the voting sign of aye. Those opposed? Ayes have it. It's
20 carried.

21 MS. CHELF: Next is Order No. 2006-21 regarding a
22 settlement agreement between the Commission staff and
23 Belterra. The issues in Belterra, there are five counts.
24 The first one was a violation of sensitive key regulations.
25 Count 2 was a situation where some cards were missing, and



1 it was determined that the surveillance coverage of the area
2 was inadequate.

3 Count 3 and 4 involve -- Count 3 involves a minor
4 patron who was allowed to board the vessel, and Count 4
5 involved a situation where the security department issued
6 vendor badges to underage vendors who were replacing
7 carpet. And the fifth count involved violation of employee
8 redemption laws that had not -- that occurred as part of
9 Belterra's internal audit. Belterra Casino has agreed to
10 pay a fine in the amount of \$21,500 in resolution of these
11 matters.

12 MR. NEWMAN: I have a question on some of these fact
13 patterns. Surveillance showed security personnel checking
14 IDs and letting minors in, did they not? I remember some of
15 the facts on some of these.

16 MS. CHELF: Yes. It happens quite frequently at the
17 casinos that you'll see a security officer who'll look at a
18 patron's ID and in some cases the patron has presented a
19 false identification, and we are able to look and determine
20 that. In those cases, we don't take action against the
21 casino. In some cases, we found that the security officers
22 make a mistake and maybe they don't realize or notice that
23 the person is under 21 and they hand the ID back to the
24 patron and allow the patron to board the vessel. We do take
25 action in those situations and do take action when the



1 security officers fail to stop someone who is noticeably
2 under 21 or under 26. They're supposed to card people who
3 look to be under 26.

4 MR. NEWMAN: Okay.

5 MR. CALLOWAY: You have the staff recommendation on
6 Belterra of the \$21,500 total fine. Can I get a motion to
7 accept the staff recommendation?

8 MR. ROBINSON: I move to accept.

9 MR. CALLOWAY: Is there a second?

10 MR. FESKO: Second.

11 MR. CALLOWAY: It's been moved and seconded. All those
12 in favor let it be known by the voting sign of aye. Those
13 opposed? Ayes have it. It's carried.

14 MS. CHELF: The next one is 2006-22. This one involves
15 disciplinary issues that arose at the Trump Casino.
16 Probably all of these issues predated the December transfer
17 to Majestic Star, and these matters are being settled with a
18 settlement agreement with Trump Hotel and Casino Resort. So
19 we dealt with the parent company on these issues.

20 There are five counts. And the first one involved a
21 situation where the Commission audit tech did -- they did an
22 audit in June, and they noted some problems with the jet
23 sort testing in the precision of the logs and the
24 maintenance of the roulette wheel log, balancing log. And
25 when they went back later to do the follow-up audit, there



1 were still problems with those.

2 Count 2 involved violation of various rules that arose
3 out of an incident where the slot system was out at Trump
4 and their failure to notify and failure to deal with that
5 issue appropriately.

6 Count 3 is an issue that the Commission staff has also
7 recently been reviewing, the riverboat E problems that are
8 present as to the slot machines. And when they conducted
9 the audit at Trump, they ended up demanding a 100 percent
10 audit of the slot machines. And then, after that, Trump had
11 an issue where they had four riverboat E problems with the
12 machine, so we felt like action was appropriate.

13 And then Count 4 involved violations of the vendor
14 visitor log. They had an employee who -- not an employee, a
15 vendor who came back to the property after having been
16 previously found at work with a vendor badge and he came
17 back and failed to get the vendor badge and was allowed to
18 pass the turnstiles so that he didn't have to pay tax and he
19 was eventually allowed in the cage area.

20 And then the final one involved some -- conversion of a
21 slot machine that wasn't done properly and resulted in a
22 patron winning an incorrect jackpot. And that issue was not
23 notified -- the Commission agents were not notified, and
24 they had failed to follow the proper procedure in placing
25 that machine back in play.



1 So on these issues, Trump and the Commission staff have
2 come to an agreement, and Trump has agreed to pay a fine in
3 the amount of \$65,000 in resolution of these issues.

4 MR. NEWMAN: Two questions.

5 MS. CHELF: Okay.

6 MR. NEWMAN: The patron that was underpaid the jackpot
7 when it was wired for a quarter machine instead of a dollar
8 machine, did they get their -- did they get paid their
9 jackpot?

10 MS. CHELF: Actually, I think that -- and I could be
11 wrong. But I think that they did not know the identity of
12 the patron and they were not able to go back and figure that
13 out.

14 MS. ROSE: So the patron was putting dollars in, and it
15 was functioning as a quarter machine?

16 MS. CHELF: Right.

17 MR. NEWMAN: I think the patron came in and discussed
18 the matter and was given the wrong jackpot.

19 MS. ROSE: Yeah.

20 MS. CHELF: Well, the patron -- when the jackpot
21 occurred, the patron raised the issue with the slot
22 attendant, and they came back and informed the patron, I
23 believe, that the machine was malfunctioning and really she
24 was only entitled to the lower amount.

25 MR. NEWMAN: She vanished and we don't know who she



1 is?

2 MS. CHELF: I believe that was the result of that
3 issue. And an incident -- a State Police incident report
4 was done on that matter.

5 MR. NEWMAN: And all of these matters have been
6 imparted to the successor to Trump in terms of making sure
7 that there's some continuity in getting at whatever matters
8 these have raised?

9 MS. CHELF: Yes. And, in fact, I know that -- I've
10 spoken to Kay Fleming earlier and she's asked that --
11 they've indicated that they will review the issues of
12 personnel that are still employed by the Majestic Star II
13 riverboat and make sure that they can address any
14 noncompliance issues that are described in this incident on
15 an ongoing basis so that they can maintain continuity.

16 MR. NEWMAN: Did they say something about keeping the
17 compliance employee that was there before?

18 MS. CHELF: They did indicate that. I think Kay -- if
19 Kay is here.

20 MS. FLEMING: Yes. We just got this information
21 today. So Majestic will be reviewing it and will make a
22 determination after they have had the opportunity to look at
23 it.

24 MR. NEWMAN: Okay. Thank you.

25 MS. FLEMING: Does that answer your question? I'm



1 sorry.

2 MR. NEWMAN: Yeah. I mean, it's a clean slate as far
3 as the operator, but I'm not sure it's a clean slate as far
4 as the individuals that were responsible for the pattern
5 that resulted in this.

6 MS. FLEMING: Right. Now that Majestic Star has the
7 information, they will be reviewing it. And as I asked
8 Jenny, we would like to get more information so that they
9 will have full information going forward when they make
10 their decision on personnel.

11 MR. NEWMAN: Thank you.

12 MR. CALLOWAY: Okay. You've heard the recommendation
13 from the staff as to Order 2006-22. Any further questions?
14 If not, the Chair will entertain a motion to accept the
15 staff recommendation.

16 MR. ROBINSON: Move to accept.

17 MR. CALLOWAY: Is there a second?

18 MR. NEWMAN: Second.

19 MR. CALLOWAY: It's been moved and seconded. All those
20 in favor let it be known by the voting sign of aye. Those
21 opposed? Ayes have it. It's carried.

22 MS. CHELF: Okay. My last item ever is Order 2006-23.
23 It involves a settlement agreement regarding Majestic Star
24 Casino. There are three counts. The first count involved
25 three incidents where minors were allowed to board the



1 vessel or allowed to go past the turnstile area. And the
2 Commission staff determined that fines were necessary.

3 The second count involved an incident where Majestic
4 Star -- it's kind of a comedy of errors, I guess, where
5 Majestic Star drop personnel failed to -- they unlocked the
6 belly glass of the machine but failed to pull the BVA, and
7 then the drop team actually skipped two other slot machines
8 and their drop boxes. And the security guards, who were
9 watching the process, and surveillance was also watching the
10 process and failed to note the problem. That is why they
11 agreed to the \$2,000 fine for that issue.

12 And in Count 3 was one employee that they had who they
13 had not provided a timely notification of a termination to
14 Commission agents on a terminated employee. So Majestic
15 Star has agreed to pay a total fine in the amount of \$25,500
16 in settlement of these issues.

17 MR. CALLOWAY: Okay. You've heard the report from the
18 staff on Order 2006-23 regarding Majestic Star. Are there
19 any questions? If not, the Chair will entertain a motion to
20 accept the staff recommendation.

21 MR. ROBINSON: Move to accept.

22 MR. CALLOWAY: Is there a second?

23 MR. FESKO: I second.

24 MR. CALLOWAY: Okay. Moved and seconded. All of those
25 in favor let it be known by the voting sign of aye. Those



1 opposed? Ayes have it. It's carried.

2 MS. CHELF: Thank you.

3 MR. CALLOWAY: Good job.

4 MS. CHELF: Thank you.

5 MR. CALLOWAY: Sorry to see you go.

6 MS. CHELF: Thanks.

7 MR. CALLOWAY: Okay. Other Business. We have Rick
8 Reagan. Is Rick Reagan here today?

9 Okay. Rick is not here.

10 Then we have David Castellanos.

11 MR. CASTELLANOS: Right here.

12 MR. CALLOWAY: David, come on up and speak. Do you
13 think you could get most of your stuff in in about five to
14 seven minutes?

15 MR. CASTELLANOS: Within five to seven minutes.

16 MR. CALLOWAY: Thank you.

17 MR. CASTELLANOS: Thank you. I'd just like to leave
18 this, so you can pass that around and let you take a look at
19 that.

20 First of all, I want to say thank you for giving me the
21 opportunity to come before you today. My name is David
22 Castellanos. I'm the president of a company called First
23 American Steel. We're located in Gary, Indiana. We have
24 been in business for almost 12 years, about 10 to 15 years.
25 We are a certified minority-owned company located, like I



1 said, in Northwest Indiana.

2 We were -- first of all, we were a company totally
3 involved with the steel business in our area. And as you
4 know, the steel companies and automobile companies have
5 lost -- have either gone bankrupt or went out of business.
6 So, therefore, we had to diversify. At that time we had
7 over 15 employees. We had to let them all go.

8 Thankfully, we got involved with construction, and the
9 construction we got started with was an opportunity with a
10 company called Smoot out of Columbus, Ohio. And we worked
11 on the Horseshoe project, the parking car garage.

12 We, in turn, there -- we hired about -- maybe about
13 five people. We brought them on board. That was our first
14 inclusion into that area of the business.

15 I show you those pictures today because those pictures
16 represent employees, some individuals who have never had a
17 job or were not able to be included into the unions. Our
18 biggest stumbling block has been unions as far as minorities
19 participating in some of these developments.

20 Right now, I work -- those articles that I'm giving you
21 there today is because I have been working along with the
22 Indiana Black Legislative Caucus. As a matter of fact,
23 that's one reason why I'm here today. The members of that
24 particular caucus have encouraged me to come here to speak
25 to this particular body about the issues regarding unions



1 and minorities participating in these construction jobs.

2 As you can see, we have about six to eight apprentices
3 that have been able to, through Blue Chip projects -- if it
4 wasn't for Blue Chip and for the opportunity that they gave
5 us to work on this particular project, we wouldn't be here
6 moving forward onto, hopefully, some of the other projects
7 that are ongoing in Northwest Indiana.

8 Luckily for us, that I've been getting calls even as
9 far as Louisiana in order to do business. We're thankful
10 for that because of the fact that our name and the quality
11 of work that we have done got out there.

12 But we have also been involved with the Indiana Black
13 Legislative Caucus regarding participating in the economic
14 round table. All that's at issue is the unions. There's no
15 reason why that people from this particular community should
16 not be able to work on this particular project without being
17 able to be included into the unions.

18 Now I don't know if you have a union representative on
19 your job, on your panel or a union representative on your
20 new study group. But first of all, I want to compliment you
21 on the new study group. I'm glad that's going to happen.
22 Maybe it might open up some doors for a lot of things to
23 happen.

24 But the key is that we need your input. We need your
25 input, not just to monitor minority business development.



1 We need your input in order for you to put somebody on your
2 staff, somebody -- I see in your 2005 report that you have
3 openings in your staff, that you can bring people in to do
4 field -- or to do reporting. I'd like to suggest that you
5 put somebody on your staff to monitor and help to develop
6 minority businesses throughout the state.

7 The Indiana Department of Minority Business Development
8 is -- you know, it has new staff members and I think they're
9 overwhelmed with the amount of business that's going around
10 in the state. And I think, considering the fact that the
11 gaming industry has such a tremendous economic impact on the
12 state that you need to have somebody on there to help
13 monitor that and develop that.

14 You can't expect -- first of all, from my opinion, you
15 cannot expect these particular gaming institutions to go
16 ahead and to try to regulate themselves as far as getting
17 minority business development. They're stopped at a wall.
18 Their intentions are great. But when they have a
19 representative from a particular union saying that you
20 cannot put that particular person on the job because he's
21 not a member of the union, and then at the same time the
22 union is saying, Hey, well, you cannot put that person in
23 here because he has to go through a process.

24 So through this particular process we've put about 25
25 people to work. And right now, they're working right now.



1 And I hope I can keep them continually going.

2 At the same time, and with these other particular
3 projects, we're hoping that we can probably, you know,
4 encourage that and maybe increase that to another 25 more.

5 Through the community for these individuals, they would
6 probably make between \$35,000 to \$55,000 a year. That's
7 just to them. That does not include the amount of insurance
8 and pension money that the company pays to their benefit.
9 But that goes into the community. So these particular
10 communities around here will increase their equity value.
11 So when they increase their equity value, everybody in the
12 surrounding communities, which are basically white, their
13 values increase too. So the point is, that it's a win/win
14 situation for everybody.

15 So I'm here today just to encourage you to look at that
16 and to take some recommendations regarding dealing with
17 unions and maybe, if possible, allow a particular gaming
18 institution or boat to maybe allow them to waive some of the
19 labor agreements that unions are putting upon them with
20 contractors to hire them. Allow them to go ahead and hire
21 people from the community and give them the opportunity so
22 they can be included. It's not that we don't want to be
23 included. The point is that we are stopped from being
24 included.

25 I want to thank you and I'm very impressed with this



1 whole organization and the reports here today. We're
2 looking forward to participating in the economic
3 development. Thank you.

4 And by the way, can I have my pictures back?

5 MR. CALLOWAY: Thank you, Mr. Castellanos. We
6 appreciate it.

7 MR. YELTON: Also, Mr. Chair, members of the
8 Commission, under other business, I think, so the record
9 would be perfectly clear, I would request that there be an
10 acknowledgment that the letter of which Mr. Knauer was
11 speaking of when he spoke had been delivered to each and
12 every one of you before this meeting. Can I have consent
13 that the record shall so disclose?

14 MR. CALLOWAY: Correct.

15 (All members of the Commission
16 respond in the affirmative.)

17 MR. YELTON: Thank you.

18 Finally, our next meeting is scheduled for June the
19 8th. We anticipate it will be at the Government Center in
20 Indianapolis and probably commencing at 10:00 o'clock. The
21 time and the location may change, but we anticipate the date
22 not to.

23 So with that in mind, that's all the staff has for the
24 members of the Commission today.

25 MR. CALLOWAY: We thank everyone for coming, and



1 eventually we'll have to have a meeting in Evansville. It's
2 a long way.

3 MR. FESKO: Where's that?

4 MR. CALLOWAY: Where is that, yeah.

5 If there's no further business to come before the
6 house, the Chair would entertain a motion to adjourn.

7 MR. ROBINSON: I'll move to adjourn.

8 MR. CALLOWAY: It's been moved.

9 MS. ROSE: Second.

10 MR. CALLOWAY: Moved and seconded. All those in favor
11 let it be known by the voting sign of aye. Those opposed?
12 Ayes have it. It's carried. Thank you.

13 (The meeting was
14 adjourned at 12:45 p.m.)

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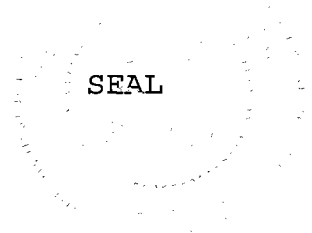
REPORTER'S CERTIFICATE

I, TERRY M. PICKERING, do hereby certify and state the above and foregoing 89 pages is a true, correct, and complete transcript of the INDIANA GAMING COMMISSION PUBLIC MEETING, taken by me on said date, transcribed by me from my original stenotype notes, and reduced to typewriting by me.

I further certify that I am not related to, employed by, or interested in any party to this action.

IN WITNESS WHEREOF, I hereby affix my name and seal this 10th day of April, 2006.

Terry M. Pickering
TERRY M. PICKERING
Court Reporter and Notary Public



My commission expires August 30, 2007.

